

# WAGES, PRICES AND PROFITS.

A REPORT PREPARED BY  
THE LABOUR RESEARCH DEPARTMENT.

PREFACE BY  
SIDNEY WEBB.



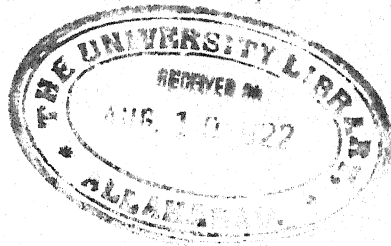
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## PREFACE.

BY SIDNEY WEBB.

THIS book, in the compilation of which I have had no share, but which has been prepared by various members of the Labour Research Department, aims at no more than a presentation of facts relating to wages, prices and profits in Great Britain during the past seven years, so far as they can be ascertained. It sets out, as simply as possible, such statistics as exist on the subject ; together with some explanations necessary for their understanding ; and, incidentally, certain criticisms of misleading inferences that have been drawn from them.

Much of the misunderstanding, it will be commonly agreed, is due to the incompleteness and the lack of authority of the information that is available. In the public interest it is becoming increasingly important that the secrecy in which so much business enterprise is still shrouded should, so far as statistical tables are concerned, be brought to an end. The conclusion is inevitable that the nation ought to be provided with more complete and more authoritative statistics of the profits, salaries and wages in all business enterprises for each year, as soon as it is ended. Even if the facts are kept secret with regard to each firm or company, the totals for each industry, and for profit-seeking enterprise as a whole—whether of the sums allocated to the rent of land, the reward of capital, the remuneration of management and direction, depreciation and reserve funds, the increase of the capital employed—ought to be as authoritatively ascertained and as commonly known as the totals of salaries and wages, or as the number of the population. To an extent greater than is commonly supposed all that is required is the authoritative collection and tabulation of statistics that are already in possession of various public authorities.

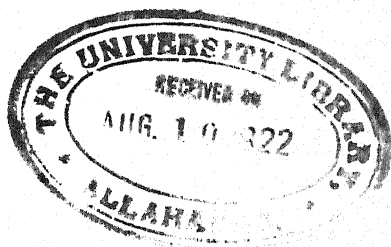
The material for the statistical tables required already exists with regard to the very considerable aggregate of the enterprises of the Government Departments and the Local Governing Authorities ; for the whole of the Co-operative Movement ; for nearly all the business of the railways and ports ; for the life assurance companies ; for the electricity undertakings ; and for at any rate such of the gas undertakings as work under the statutory sliding scales connecting prices and dividends—these accounting in the aggregate for probably a quarter of all the capital of the nation. It would need only the slightest of changes in the existing statistical obligations to add to these the banks ; the fire, marine and accident insurance companies ; the whole coal-mining industry ; the entire business of cotton spinning and

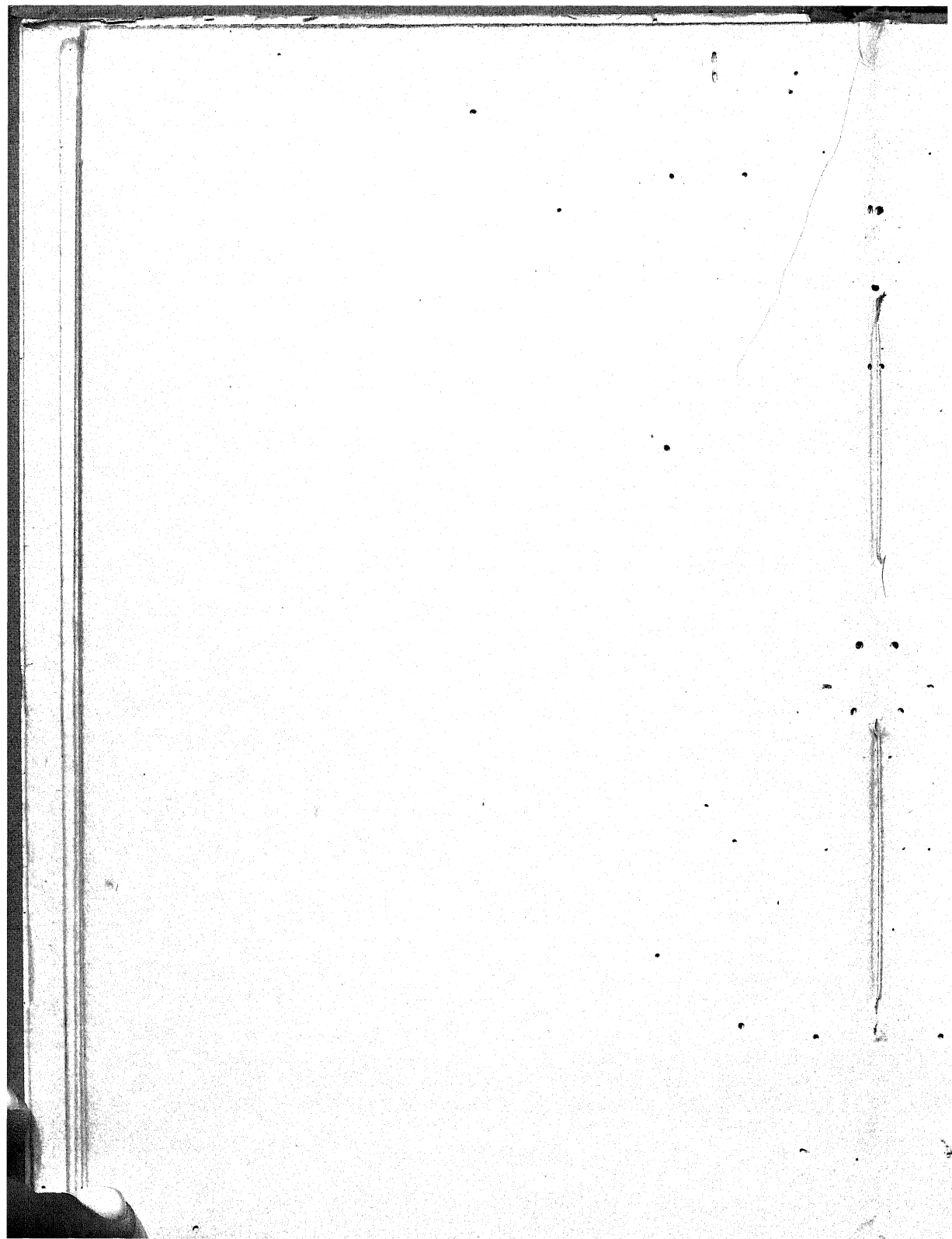
manufacturing, which has passed completely into the joint stock form ; practically the whole business of ship-owning and ship-management ; and the remainder of the gas, water, cemetery, cremation and tramway undertakings for which statistics are not yet fully published. The extension of similar statistical obligations to the rest of the 75,000 joint stock companies would be but a small step. Leaving aside for the moment agriculture, and, perhaps also retail shop-keeping (except in so far as these are undertaken by the Co-operative Movement or by joint stock companies), the statutory requirement of the necessary statistics from every person or undertaking engaging in business for profit and employing more than half-a-dozen workers, has become necessary in the public interest.

The need for equally authoritative statistics as to prices is no less imperative ; and it could be met with no greater difficulty. For many years the Government has collected, recorded, and tabulated the weekly market prices of wheat. The Government knows, in one or other of its departments, but does not tabulate, the charges made for railway and tramway transport, the rates charged for water, gas and electricity ; the prices of graves ; the rents periodically returned by landlords in connection with the local assessments and the Income Tax (Schedule A) as received for land and houses, together with the charges made for all the postal services, and the innumerable official fees. Materials are available also for the prices of all Stock Exchange securities, and for wholesale transactions in nearly all important commodities. But for retail prices, we are still dependent on incomplete, irregular and largely unofficial special enquiries. These need to be made systematic, widespread and authoritative. For retail transactions amounting to more than £250,000,000 annually, exact schedules of retail prices actually charged could easily be obtained from the 1,400 societies (with 6,000 branch stores) of the consumers' co-operative movement, which now extends into every county of England, and to all but a half-dozen sparsely peopled counties of Scotland and Wales. The couple of hundred multiple shop companies, with about as many branches as the co-operative societies, and possible nearly as large an aggregate turnover, could easily furnish similar schedules. Probably as much as one-third in amount of all the retail purchases of food stuffs by the four-fifths of the nation's families who fall within the wage-earning class—perhaps one-sixth of the total spendings of that class—are now made through the fourteen hundred consumers' co-operative societies and the couple of hundred multiple shop companies, from the weekly records of which authoritative statistics of retail prices could be compiled without any considerable expense. These records could be supplemented by those of perhaps an equal number of private shops in different parts of the kingdom. It is sheer waste for the nation to go on quarrelling (with all the tension and ill-feeling that this involves) about the relative gains

of landlords, capitalists and wage-earners, when the facts could be impartially ascertained and authoritatively promulgated, year by year, with no insuperable difficulty and at relatively trifling expense. It does not show much capacity to govern on the part of our present administrators that the demand for further and better statistics—for a whole generation pressed by the political economists, and always supported by the Trade Unions—is still ignored.

Until such statistics of retail prices are regularly and authoritatively compiled by public authority, and promulgated under the supervision of a joint committee on which the Trade Unions can nominate their own expert representatives, the cost-of-living index number of the Government, which is subject to some criticism in this book, will not inspire confidence in working-class households, and the use of such an index number in regulating advances or reductions of wage-rates, will not be popularly accepted. For further discussion of this index number, reference may be made to the Report of the Cost of Living of the Joint Committee of the Parliamentary Committee of the Trades Union Congress, the Co-operative Union and the Labour Party (price 2s. 6d.); and to the newly-published volume, *Prices and Wages in the United Kingdom, 1914-1920*, by Professor A. L. Bowley (price 10s. 6d.), neither of which came in time for use of them to be made in the present work.





## CHAPTER I.

### WAR WAGES.

#### (1.)—THE COURSE OF WAR ADVANCES.

THE matter of this chapter lies chiefly in the Tables of its Appendix.\* The figures given in Tables I. and II. do not pretend to offer a comprehensive or complete survey of wages. They relate only to workers in certain regulated trades. In unregulated trades there is reason to suppose that wages rose in many cases to a very small extent between 1914 and 1920. Information collected by the National Amalgamated Union of Shop Assistants and other Women's Unions show that large numbers of unorganised women were employed at rates substantially lower than £1 a week at the end of 1920, but in the absence of established rates there is little or no material for a general estimate. Nor do the figures cover the whole field of regulated industry. They may, however, be taken as sufficiently exhaustive to indicate broadly the course of war advances for the principal groups of workers in some important industries.

From Table I., first of all, it appears that the increase on pre-war wages varies widely, not merely from one industry to another, but between different groups of workmen, or various districts, within the same industry. In almost every case the figure of maximum war advances is below the normal of the industry for special classes of higher-paid workers. For example, the percentage is a comparatively low one for pattern-makers in engineering, for steel or tinplate workers with base earnings above 60s. per week, for journeymen tailors in West End tailoring, for correctors of the press in printing, for guards or ticket collectors in railway transport, for forehands in bake-houses, or for the upper grades of civil service clerks. The figure rises, on the other hand, above the normal for such lower-paid sections as general labourers or women. Labourers in building, in mines, in engineering, or in the potteries, have received a proportionately higher rate of advances than any other group in these industries. Operatives' assistants in printing have gained a relatively greater advance than operatives. Similarly, women have received on the whole proportionately larger increases than men. There are equally wide variations between different districts. So far as figures are available, it is the small towns and outlying places which have gained the greatest benefit from war advances. For example, in building, the maximum percentage is higher in Exeter than in Birmingham, and higher in Birmingham than in London. In

\* See Appendix I.

mines, the advance is greater on the whole in Scotland than in England and Wales. In engineering, it is greater in the small town of Trowbridge than in any important industrial centre. In agriculture, the maximum advance for ordinary workers is 116 per cent. in counties with a high pre-war rate, but 245 per cent. in counties with a low pre-war rate. In printing, it is the lower grade towns which show everywhere the higher rate of advance. Generally speaking it is true to say that the larger proportion of war advances has been received by lower-paid workers, or by workers in backward districts.

For purposes of comparison between one industry and another, the plan adopted in Table II. has been to select a representative class of workman, and a representative district for each industry. For example, the bricklayer's rate in building relates, not only to bricklayers, but to masons, carpenters and joiners, slaters, plumbers, plasterers, and in some measure to painters. Similarly, the fitter's rate in engineering covers turners, and sometimes smiths and other classes of tradesmen. The selected rate in some cases is a less obviously representative one, but every figure in the table refers to a large and typical class of ordinary workers in the industry. In regard to a representative district, London has been selected in most cases for the sake of uniformity; but, where the industry is localised elsewhere, the choice has fallen on the chief centre of the industry. Any method of selection is open to criticism; but, in the absence of established rates for all classes of workmen, especially in the earlier period of the war, an estimate for the average rate of the industry could not be other than a very misleading one. It would not be difficult to prove that in industries employing large numbers of general labourers and women, or where wages in most districts were unregulated until recently, the average rate of war advances for the whole industry would show a substantially higher figure than the one given in the table, but it should be pointed out in this connection that the special increases received by lower-paid workers, or in backward districts, represent to a large extent advances of wages which were overdue in 1914, and would have been granted irrespective of war conditions. These special increases should not therefore be counted as a part of war advances.

Bearing in mind the limitations of Table II., a comparison of one industry with another shows a figure of war advances, which in December 1920 ranges from less than 100 per cent. to over 200 per cent. in some cases for selected classes of representative workmen. The figure is a comparatively high one in mines, and in the South Wales steel and tinplate trades, where wages fluctuated before the war with the selling price of the product, for railwaymen and dock labourers, and in agriculture, where the pre-war standard was below the normal level. Again there is a high rate in the cotton, wool and textile dyeing industries, where the workers shared to some extent in the wave of extraordinary trade prosperity which



followed immediately upon the armistice, in merchant shipping, where war conditions not merely yielded enormous profits to the shipowners but exposed the workers to exceptional risks, and a high rate for some grades of civil servants and municipal employees. The figure, on the other hand, is a low one in building, in engineering, in hosiery, in the clothing trades, for pottery workers and cigar-makers, and for workers in co-operative shops. In regard to the latter class, the figure is about the same as that for shop assistants employed by commercial firms which have adopted the standard of the National Amalgamated Union of Shop Assistants. In non-union commercial houses, not only the pre-war standard was a very low one, but women's wages especially remained throughout the war at an almost incredibly low figure. The maximum percentage increase in other staple industries, namely, in road transport, in furniture-making, in printing, and in bread-baking, ranges from about 140 per cent. to about 155 per cent. A comparison between industries reveals broadly speaking the same tendencies as the comparison between various groups of workmen or various districts within the same industry, and the progress was greatest in industries, such as agriculture or railway transport, where the conditions were most backward at the outbreak of war.

There was, however, everywhere comparatively little advance of wages in the earlier period of the war. At the end of 1915 the increase did not generally amount to more than 10 per cent. In railway transport, where advances of wages were overdue in 1914, the first year of the war saw an increase of about 20 per cent., and comparatively substantial advances were received during 1915 and 1916 in mines and in the iron and steel trades, where wages fluctuated habitually with the selling price of the product. In the busy engineering and shipbuilding trades, which covered the majority of munition workers, the end of 1915 showed an advance of 17 per cent in the London district, and the figure rose to 25 per cent. at the end of 1916. The end of 1915 did not, on the other hand, bring any increase to cotton operatives, or to garment workers, or to furniture-makers. The advance was generally at a slow pace until 1917, but at the end of that year the figure had risen in most industries to over 30 per cent., and to between 80 per cent. and 90 per cent. in some cases. Increases followed with growing rapidity, especially for backward groups of workers, until the summer of 1920. Wages reached a maximum point in engineering and in one or two other industries in June 1920, and almost everywhere before the end of the year; but, where negotiations had been unduly protracted, or wages were periodically adjusted according to the variations in the Ministry of Labour index figure of the cost-of-living during the previous term, the advance was continued into 1921. Between December 1920 and June 1921, wages remained for the most part at a stationary figure, or decreases had begun to take place. The latter adjustment

followed automatically in some cases from the operation of the cost-of-living sliding scale, but the matter involved elsewhere prolonged negotiations, or disputes, and a settlement was not reached until the end of June, or the new terms did not come into operation until a later date. The important settlement for the coal industry entailed a reduction of 2s., 2s. 6d. and 3s. per shift respectively in July, August and September; the engineering agreement provided for two decreases of 3s. per week each to take place in July and August; the minimum wage of dock labourers was subject to a decrease of 2s. per day in August, with another reduction to follow in January 1922; in the cotton industry, there was an immediate fall of 60 points in the figure of war advances; while the wool and worsted settlement, apart from the automatic decreases of 40 points under the cost of living sliding scale, brought fresh reductions in July, amounting to about fourteen per cent. on rates current in the previous December. It seems that wages are slow to rise, but quick to fall.

#### (2.)—THE COST-OF-LIVING WAGE.

The absence of any extravagant rise of wages among the better-paid and more highly-organised section of the workers was not due to accidental causes, but may be traced, at least to some extent, to the deliberate action of the Government. Under the Munitions of War Act, 1915, which covered the greater part of the engineering and shipbuilding trades and large numbers of workers in other industries, not merely strikes were made illegal, but a workman could be prevented by his employer who refused to grant a discharge certificate from taking up fresh employment. The latter provision was repealed during 1917, but thousands of munition workers had already been checked in moving from one firm to another in search of better conditions. While "the play of natural forces" flung fantastic fortunes into the laps of army contractors and ship-owners, wages were subject to artificial regulation. Disputes were referred to arbitration, and settled with due respect to public economy. The Committee on Production was the chief authority in cases affecting the whole or a large section of the industry. "H.M. Government," the awards stated in 1915 and 1916 "have given earnest attention to the financial position of the country, to the great and increasing demands which will still be made upon its resources to meet the needs of the war, and to the imperative need for economy in all forms of expenditure, both public and private. They have also had regard to the general advances of wages that have already been given since the beginning of the war, and to the measure already taken to tax or limit the profits of undertakings. H.M. Government have come to the conclusion that in view of the present emergency any further advance of wages (other than advances following automatically from existing agreements) should be strictly confined to the adjustment of local conditions where

such adjustments are proved to be necessary." Prices had meanwhile begun to soar up wildly. The excess profit tax was largely evaded by employers, who were able to tuck away profits in some form of capital outlay, or the tax was passed on to the consumer. The yield of the excess profits tax went, moreover, largely in relief of the capitalist tax-payer. Rich men grew richer, and there sprang up a new class of war profiteers. The Committee must have felt some compunction in trying to practice national economy at the expense of poor classes of wage-earners. At all events, the clause was afterwards withdrawn.

The awards of the Committee on Production followed necessarily to some extent the previous practice of the trade. In the iron and steel industry, there was no interference with the sliding scales by which wages were regulated according to the selling-price of the product, and comparatively large advances were received in the earlier years of the war, but agreements of this kind were confined to one or two industries.\* The awards laid down for the most part that "the amounts here awarded are to be regarded as war advances intended to assist in meeting the increased cost-of-living," or other words to the same effect. There was no general desire on the part of the trade unions to take advantage of war conditions unduly to force up wages. They accepted a policy by which wages might be expected to keep pace with prices, while employers favoured a method which in a period of high profits would tend to keep down wages to a "fodder" level. When the first national award for the engineering and foundry trades was under discussion in March 1917, the representative of the Engineering Employers' Federation gave his views on this point to the Committee on Production. "Workpeople," he said, "were entitled to advances only in compensation towards the increased cost of living to which they were subjected. . . . I think if we look at the present application, not as an advance in wages, but as a recompense or as compensation in respect of the extraordinary expenditure, then we may get on very much better than we will otherwise, because to admit for one moment that the rates should be increased in order to meet an extraordinary position of affairs such as we have now is a position which we cannot take, but we are quite prepared to admit the question of compensation." As a matter of fact, the workers in the engineering and foundry trades, other than labourers, did not receive at any time full compensation for the rise in prices, and the maximum figure of war advances stood many points below the highest index number of the cost-of-living. The national awards of the engineering and foundry trades were immediately extended to shipbuilding, and the amounts therein granted largely determined the course of war advances in transport and other staple industries.

Towards the end of the war a movement was started for the automatic regulation of wages by means of cost-of-living sliding

\* In the later years the price was deliberately kept down.

scales. The method originated in the textile dyeing and bleaching trades, and nearly one-and-a-half millions of workers were covered by such agreements at the end of 1920. The general principle was that a given rise or fall in the Ministry of Labour cost-of-living index number should be followed by a corresponding increase or decrease in rates of wages. Some agreements provided for a periodical revision at stated intervals, the new wage rate being based on the cost-of-living index figure in the previous period, while the revision in other schemes took place at every occasion upon which the cost-of-living index figure rose or fell by a specified amount. Wages and prices were hereby mutually adjusted, but the full wages equivalent of the cost-of-living index number was not generally received by higher-paid workers. For example, in the woollen industry, piece-workers received a reduced percentage of advances, while in the case of time-workers the amount of the basis wage to which the percentage might be applied did not exceed 34s. 6d. per week, or 80 per cent. of the basis wages, whichever sum was the greater. Similarly, under the civil service scheme, all amounts over a basis salary of 35s. per week carried a reduced scale of war bonus. Nor did the workers succeed by this means in keeping wages fully abreast of prices, but the advance always followed behind and never went before the rise in the cost-of-living. In some cases, indeed, one rate lagged so far behind the other that an advance of wages took place when the cost-of-living had for several months begun to decline.

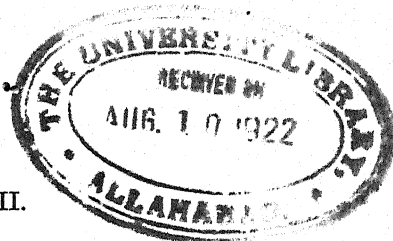
### (3.)—THE NATIONAL MINIMUM WAGE.

The policy of focussing attention on the rise in the cost-of-living, by which all workers alike were affected, had indirectly the effect of promoting a policy of national awards and settlements. This tendency may be traced in the engineering and shipbuilding trades. The earlier awards of the Committee on Production related only to individual firms or to certain districts, and the amounts varied with the local circumstances, but the Committee decided in March, 1917, to consolidate all previous awards in a minimum national advance of 7s. a week, and upon this sum to base future advances. "Those who had received less than 7s., and those receiving more than 7s.," employers claimed "should remain where they were," but, "any general advance on account of increased cost-of-living should be one sum." The trade unions maintained on their side that "special consideration should be given to districts which had not received 7s. advances in wages during the war period," and this view was now adopted by the Committee. A supplementary agreement between the Engineering Employers' Federation and the engineering unions provided that "the unions shall not be prevented from bringing forward for special consideration the case of any district in which they claim that the rates of wages are unduly low." Similarly, in the mining industry, wages varied before the war with the selling price of coal, and the

miners in certain districts would at one time have been entitled to receive very large advances of wages, but these districts elected to come in with the rest and to promote a more equitable distribution of the surplus among the miners and consumers as a whole.

The attention of all sides was directed to the needs of lower-paid workers upon whom the cost-of-living pressed with the utmost severity. Representatives of the general labour unions pointed out to the Committee on Production the unfair operation of a mere percentage advantage. "It gives," they stated, "a huge preference to the higher-paid men, whereas in the case of labourers with an average of 30s. it does not come out at all in their favour." In the engineering and shipbuilding trades and other great industries, war advances took the form of a flat rate money amount, which had automatically the effect of leveling up wages for lower-paid workers. The same result was achieved elsewhere by a graduated scale of percentage advances. The various provisions of the cost-of-living sliding scales, which limited the amount of the basis wage to be subject to war bonus, have already been described. In the South Wales steel and tinplate trades, there was at one time a difference of fifty points between the highest and the lowest percentage increase received by different grades of workers, while the exchange from a 12-hour to an 8-hour shift entailed no loss of wages in respect of basis earnings under 50s. a week, but a graduated scale of reductions amounting to 33½ per cent. in the case of higher-paid workers. In the civil service there was not merely a substantially reduced bonus on the amount of salary above a certain figure, but badly-paid classes of women received special increases. Among commercial clerks it was usual under awards of the Committee on Production to fix an income limit above which the war bonus should not be paid. For example, where clerks in munition factories received the 12½ per cent. on gross earnings, this bonus was made "payable on salaries up to and including £150 a year," but, "to those who may be in receipt of more than £150 a year the bonus of 12½ per cent. is to be paid on that amount." The income limit was raised to £250 in 1918. The policy sometimes adopted by the Committee on Production in regard to workers coming under the Trade Boards Act, showed a similar trend. The awards relating to the tailoring trade provided that "the advances were independent of any increases in rates which may be necessitated by a determination of a trade board," but, where firms had given advances "either voluntarily or as a result of arbitration such advances shall merge in the advances given in the award." In other cases where advances of wages were admittedly overdue in 1914, account of the fact was taken in the agreement of award. The Sankey award in the case of the miners, or the revised standard rates of railwaymen, were expressly granted with the object, not merely of meeting the rise in the cost-of-living, but of bringing up pre-war wages to a decent level of subsistence.

There was a corresponding movement to establish minimum rates of wages in hitherto unregulated trades. The Government was gravely concerned in the speeding up of output in munition factories and it was increasingly evident that good results could not be obtained from half-starved workers. "The Government will see to it," Mr. Lloyd George declared in 1915, "that there is no sweating in Government workshops." The matter was taken up by the trade unions, and in response to their agitation national minimum rates for semi-skilled men and women munition workers were fixed by statutory orders under the Munitions of War Act, early in 1916. The Government next turned its attention to the improvement of food supplies; and, under the Corn Production Act, an agricultural wages board was set up in 1917, and minimum rates were agreed for agricultural labourers, who had hitherto received indefinitely low rates of wages. The new minima varied according to local conditions, but wages were levelled up so that the lowest general rate in England and Wales covered some thirty-five counties at the end of 1920. Again in 1919, when employers were eager to take advantage of the trade boom immediately following the armistice, the trade unions succeeded with comparatively little difficulty in establishing minimum rates in a number of important industries which were practically unregulated before the war. Under the typical national agreement of the printing trades, which covered all classes of workpeople, towns were classified into a London district and six provincial grades, and a minimum rate was fixed for each grade. Joint industrial councils, and other national machinery for fixing wages were set up in one industry after another. There was formed a National Industrial Conference Provisional Committee, representing employers and workers, and both sides were unanimous in recommending the enactment of a legal eight-hour day, and the fixing of a minimum wage for each industry—proposals, however, which the Government refused afterwards to carry into effect. Under the Industrial Courts Act, an Industrial Court was set up with special powers of enquiry into industrial conditions. Simultaneously, there was a rapid development under the Trade Boards Acts. Not only did advances of wages under the Act represent comparatively large amounts, but the Amending Act of 1918 provided for the setting up of boards in any trade where the Minister of Labour "is of the opinion that no adequate machinery exists for the effective regulation of wages throughout the trade." The amendment went substantially beyond the terms of the principal Act, whose operation was limited to trades "where wages were exceptionally low as compared with that in other employments." Some forty new boards were set up in 1919, and it was promised that between fifty and sixty others should follow immediately—a promise which unfortunately did not mature. Apart from mere compensation for increased cost-of-living, the worker's main achievement during the war was to redeem large tracts of industry from the area of unregulated and "sweated" trades. .



## CHAPTER II.

### WAR PRICES.\*

To labour the obvious is an unprofitable pursuit, and it would seem to be nothing else to cover page after page with arguments and figures proving that it costs the worker nearly three times as much as it did in pre-war times to maintain the pre-war standard of life. It is so obvious, so glaring a fact, to the housewife, that this section need not be long drawn out.

But the Government issues its own version of the case and gives its own estimate of the trouble, and on that version is based the Government's and the employers' policy whenever a demand is made for higher wages. It is therefore very necessary that we should examine these figures for ourselves and find out whether they give a true representation of the facts. If Mrs. Jones finds she needs £2 10s. where £1 sufficed in 1914, it is of little use for the Government to assure her that prices have only gone up 100 per cent.—on paper. We must have the true facts and figures to put against the official distortions and mis-representations.

The first necessity is a definition of the terms we use, particularly of the term "cost of living" which is so much in evidence to-day. To the ordinary man and woman the phrase "rise in the cost of living" means just what it says—the increase in the amount of money necessary to secure the same standard of life that was obtained in pre-war days. But our official experts have ingeniously found another meaning for it altogether. Clever Professor Bowley and the Working Classes Cost of Living Committee 1918, could not use such an obvious definition. Instead they defined the "rise in the cost of living" as the increase in actual expenditure by the worker's family in 1918 as compared with 1914, (and even then the expenditure on several important items was deliberately excluded). Thus it is not surprising that they found the "rise in cost of living" to be much less than was commonly asserted. After all you cannot spend money you have not got. Presumably if the price of everything went up so enormously that the worker could not even buy a loaf of bread, and he consequently spent nothing, Prof. Bowley would say that the cost of living had gone down to nothing!

By "rise in the cost of living" we mean "rise in the cost of maintaining at least the same standard of life." Let the implications of this be well understood. The same standard of life is *not* maintained if margarine is substituted for butter; apart from questions of personal preference, margarine has not the same

\* For Tables and Charts see Appendix II. and IV.



dietetic value as butter. Similarly the same standard is not maintained if foreign meat is substituted for English, shoddy for wool, cardboard for leather, saccharine for sugar, stone for coal; nor is it maintained if books, theatres, concerts and all other necessities of intellectual life are dropped or curtailed. In the case of most workers, as a matter of fact, substitutions were impossible for they were already compelled to buy the cheapest goods obtainable, but it has to be remembered that in many instances the cheapest commodities obtainable now are much inferior in quality, though much more expensive, than the cheapest pre-war varieties. For example, pre-war margarine at 6d. was better than the present-day margarine at 1s. To keep the same standard a family using, not butter, but the cheapest margarine, in 1914, would have to buy not the cheapest margarine of to-day, but a higher priced one. There is no evidence that this has even been considered by the official calculators of cost of living statistics. Another fact which should not be forgotten, though it cannot be statistically estimated, is the almost total disappearance, under stress of shortage and rationing, of the "bargains" which on street stalls and the counters of small shops used to offer to the poor housewives a chance of stretching the resources of an almost empty purse. The bargain stall, like the West End bargain sale, became little more than a memory.

Thus, to compare present prices with pre-war prices, we must take the same quantities of each commodity and the same quality. If the same quality is not obtainable at all, it must be made up for in some way, but in point of fact the same quality *can* be secured in every instance with which we have to deal, except housing which constitutes a peculiar problem of its own.

When we come to consider the best means of finding the increase in the cost of living, as above defined, we are faced with difficulties. Are we to conduct an independent enquiry covering the whole country to find the present and pre-war prices of the commodities under consideration, or shall we take the figure supplied by the Ministry of Labour? The former plan is really the only completely satisfactory method, but it has two great objections. The first is the matter of expense and time such an enquiry would entail, and this really puts it out of court, for the present. The second is that there would be no common acceptance of the figures, any more than there now is of the Government's figures.\*

The objection to taking the Ministry of Labour figures is that they are under general suspicion of not being a true representation of the facts. It seems best, then, to examine these statistics, as given in the *Labour Gazette* each month, to find if possible whether they are correct, and finally to take them as the basis and to show how, even accepting Government figures, the cost of living has

\* See below for the enquiry undertaken early in the war by the Joint Committee on the Cost of Living.



risen since 1914. If we find the figures inaccurate and can reach a quantitative result which can also be embodied in statistics and charts, we have a still clearer idea of the rise. And if we can find any alternative method of showing the increase, so much the better.

#### CALCULATION OF PRICES AND COMMODITIES.

Before dealing directly with the *Labour Gazette* statistics, it will be as well to consider the matter generally. In calculating prices we are confronted with several difficulties, the principal one being to devise a method which will show us briefly and clearly what we want to know.

If for example we take a definite commodity and ascertain the price of a certain quantity of it at different times, that only tells us about the one thing and gives no clue to the general change in prices.

We might take instead a

*Family Budget*, i.e., the actual amounts of all the commodities bought by a family in any period of 1914 and the same amounts of the same things in 1920, comparing their price. An example will be given later. This method, though easily understood, is not really a scientifically accurate picture of price fluctuations in general, because every family is different from every other family, and every week is different from every other week. We should really get rid of accidental features and individual peculiarities by taking a very large number of family budgets and getting the average. This is practically what is done in the Index number method.

Someone may say, why not find the cost of, say 1 lb. of each commodity at the beginning and at the end of the period and so find the rise? This would be simple and easy to understand. It would not give a true idea of the increase in the cost of living, however. If 1 lb. of tea rises in price from 1s. 6d. to 2s. 6d., we do not know what effect this has on the family budget unless we know how much tea is used in a given time. So, a rise of 6d. per lb. is far more important in the case of margarine than it is for coffee, because more margarine is used per week. 1s. per lb. on tea might mean an extra 3d. per week on to expenses, while 1s. per lb. on meat might mean 2s. or 3s. extra on the weekly budget. Thus the relative quantities of commodities used must be taken into account. The way in which this is done to produce Index numbers is briefly explained here. It is the method used to obtain the Ministry of Labour statistics which are given in the *Labour Gazette* each month.

*Index Numbers.*—First of all a list of the commodities entering into the family budget is made out. There are sure to be some commodities which only very few families buy, and these are ignored; only the ones which commonly make up the bulk of the budget are included. Thus there may be a few families

which have acquired a taste for, and will obtain at all cost, the Chinese delicacy of birds' nests, or French snails! Obviously such things must be omitted. The next step is to ascertain the prices in 1914 and now, of these commodities in as many towns, villages and rural districts as possible, and to average the result for each commodity. From these figures, the percentage increase in price for each commodity is calculated. Third, we must determine the relative importance to be given to each commodity. For each one a number is given representing its importance. For instance we might start with cheese and give it the number 1. Then if, on the average, a family spends five times as much on bread as it does on cheese, per week, we should give bread the number 5, and so on for all articles. These numbers are called weights. In our calculation bread should "weigh" five times as much as cheese; a rise in the price of bread is five times as serious as the same rise in the price of cheese. Therefore, the percentage increase in price for each commodity is multiplied by its "weight," the results are added, and this total is divided by the sum of all the "weights." The final result gives the average increase in price of all the commodities taken.

A simple example will make it clearer. *Taking imaginary figures :—*

		"Weight" increase in price.	"Weight" by percentage increase.
Cheese	..	1	130
Bread	..	5	750
		—	—
		6	880
<hr/>			
880			
— = 146 $\frac{2}{3}$ % average increase of both articles.			
6			

If five times as much were spent on cheese as on bread, the result would be :—

		"Weight." increase in price.	"Weight" by percentage increase.
Cheese	..	5	130
Bread	..	1	150
		—	—
		6	800
<hr/>			
800			
— = 133 $\frac{1}{3}$ % average increase of both articles.			
6			

Thus, the more important article has proportionately greater influence on the final average. When this process is carried out for all commodities that matter (including of course clothing, fuel, rent, etc.) the final figure is the average percentage rise in the cost of living.

If now we take one particular year as our starting point, or "base," and compare each succeeding year with the base year, we get a series of Index numbers.

The number for the base year is taken as 100, for convenience, and as the average cost of living is above or below the average in the base year, the Index number is above or below 100.

Suppose we took 1920 as the "base" year and suppose the cost of living in each of the following years were double that of the previous year. The Index numbers would be :—

1920	1921	1922	1923	1924	1925
------	------	------	------	------	------

100	200	400	800	1600	3200
-----	-----	-----	-----	------	------

If we take a more likely series, we have, for example :—

1905	1906	1907	1908	1909	1910
------	------	------	------	------	------

100	98.94	101.85	104.3	104.4	106.1
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This means that the cost of living in 1906 was slightly lower (1 per cent.) than in 1905, and that the cost in 1910 was decidedly higher (6 per cent.) than in 1905. It also tells us that the cost of living rose steadily from 1906 to 1910. So, if we spent £100 on the necessities of life in 1905, the same commodities would cost £104 8s. in 1909, and £106 2s. in 1910.

Now the whole trouble with Index numbers is this. Their meaning is not immediately obvious to the ordinary man and he has no means of knowing whether they have been correctly calculated, even if he does understand their significance.

There are many points on which there is opportunity for difference of opinion and for judicious selection. The factors on which the calculation of Index numbers depends are as follows :—

- (1) Extent and area of enquiries.
- (2) Method of finding prices of commodities.
- (3) Wholesale or retail prices.
- (4) Selection of commodities to be included.
- (5) Allocation of weights to different commodities.

It is commonly assumed by critics of the official statistics that the fourth item is the most important by far, and that it is an error in this particular factor which is responsible for unreliable Index numbers. As a matter of fact, provided a sufficiently large number of articles are taken, say forty, the inclusion or exclusion of particular items will not affect the results unless these items are responsible for a fairly large proportion of the expenditure, or they differ very widely from the average.

Any particular item of food, for example, which does not play a great part in the dietary, or which has not risen or fallen in price to an extraordinary extent, will not materially affect the result. A really important item like clothing, however, does matter if its rise or fall is much more or less than the average rise or fall.

The most important sources of error are, in our opinion, in the second and fifth factors.

Taking the above points in order.

1. Enquiries should be conducted only in working-class districts. It is not quite clear what interpretation the Ministry of Labour places on the term "working-class districts." The second factor bears on this.

2. The official method of questionnaires for obtaining information as to prices is not altogether satisfactory. We should like to know more about the selection of retailers to whom enquiries are sent. It is quite certain that the figures sent in do not always represent the true facts as far as working class people are concerned. Everyone knows that prices differ widely from shop to shop in the same district. Does the Ministry of Labour take the cheapest shops as the standard? The housewife cannot scour the town for the cheapest shops; she has not, like some people, unlimited time, and she has children to look after.

Certainly we have all seen official statements that commodities can be bought at certain prices and we *know* that it is not so, that the actual prices one has to pay are higher. Where do the figures originate?

*The Times*, of June 8th, 1920, quotes the following instances of price difference for identical articles in Ilford.

		<i>Lowest.</i>	<i>Highest.</i>	<i>More.</i>
Irish Bacon	..	2/9	3/3	18%
Starch ..	..	9	1/4	77%
Tinned Salmon	..	1/9½	1/11	7%
Corned Beef	..	1/2	1/6	28%
Currants ..	..	6	1/-	100%
Fruit Salad	..	1/1	1/4	23%
Tongue (cooked)	..	4/4	5/-	16%

Does the Labour Ministry take this into account? It is very unlikely. It is a matter of common knowledge that small shops, often on the verge of insolvency, charge higher prices for groceries, coal, etc., than the large city establishments patronised by the well-to-do. Coal is often sold in small quantities to working-class people at exorbitant prices and those who cannot order a ton or half a ton at a time have to put up with this state of affairs.

Again, it is quite certain that comparative prices are not quoted for the same quality. Margarine is a case in point. The cheapest margarine is very much inferior to the cheapest pre-war margarine. The worst pre-war coal contained much less slate and stone than some of the medium varieties to-day.

In some cases a standard of quality has been deliberately abandoned, and the poor variety has continued to figure in official price lists without any allowance being made. Once more we may quote margarine. The controlled price of margarine manufactured to a specified (compulsory) standard of quality was

fixed after a costs investigation. When control was removed, the quality went down tremendously, the price went up. The Ministry of Labour no doubt took cognisance of the latter change but not of the change in quality.

In finding the price of clothing the official method is very faulty. Normally material only is considered, not the price of making up. The plea is that the price of making up varies in much the same way as the price of materials.

Now they have the impudence to make a deduction from the enormously swollen prices of materials because they say the price of making up has not risen to the same extent. What about the large amount of working-class clothing made up at home? In this case the rise is precisely the rise in the cost of materials, not forgetting sewing cotton with its 400 per cent. rise.

Everyone knows that clothing made up in shops has risen by at least 250 per cent., and clothing accounts for at least one-eighth of the whole family expenditure.

The Rents Increase Act has meant considerably more than the 30 per cent. rise which it at first sight seems to impose. The housing shortage has led to an enormous number of people having to take furnished rooms, at exorbitant rates, or on the other hand to suffer a great deterioration in accommodation. Has this been allowed for? The deterioration in accommodation has led to further expenditure on fares, since many people *cannot* live near their work, and on amusements since there is no real home life.

In short, there is no evidence that the Ministry of Labour have found the real increases in the various commodities included, nor that they have compared commodities of the same quality.

3. *Wholesale or Retail Prices.*—Retail prices should be taken : the Ministry of Labour does so.\* All newspaper talk of falling prices, is, when it refers to wholesale prices, valueless. The housewife does not buy goods wholesale, and we are seeing that wholesale prices may drop while retail prices remain stationary or even rise.

4. *Selection of Commodities.*—On the whole, the list is sufficiently comprehensive.

5. *Weights.*—The official calculation of weights is based on the family budget enquiry of 1904—nearly twenty years ago. It is pretty certain that clothing accounts for more than the 12 per cent. allowed, and, in view of this and all the other changes in working-class expenditure during the last twenty years, it is obvious that a new allocation is necessary to-day.

\* The Cost of Living Index on which so many wage sliding scales are based is often referred to as the Board of Trade Index. This is quite wrong. The Board of Trade has an Index number for Wholesale Prices, but this is of no value for our purpose.

The official proportions given are :—

Food, 60 per cent. ; Rent and Rates, 16 per cent. ; Clothing, 12 per cent. ; Fuel and Light, 8 per cent. ; other items, 4 per cent. These figures represent the official estimate of the percentage of the "working man's" income spent on the various items. The weights given are, therefore, Food, 15 ; Rent and Rates, 4 ; Clothing, 3 ; Fuel and Light, 2 ; Sundries, 1. This estimates that clothing, furniture, household utensils, papers, fares, beer, amusements, soap, tobacco, etc., account altogether for only 16 per cent. or  $\frac{4}{25}$  of the family expenditure. *This is undoubtedly very wide of the mark, and it is significant to note that it is just these items, or the majority of them, that have gone up most in price.* These items, as a whole, have certainly risen by 250 per cent.

Note the difference this makes. If we accept the official weights, we have, say,

Food	..	..	15 (weight) ;	120 (rise) gives	1800
Rent	..	..	4	40 "	160
Fuel and Light	..	..	2	150 "	300
Clothing, etc.	..	..	4	250 "	1000
<hr/>					
25					3260
<hr/>					

Average rise = 130 per cent.

If we allocate the weights more in accordance with the actual conditions we *may* get

Food	..	..	13	120 =	1560
Rent	..	..	4	40 =	160
Fuel and Light	..	..	$1\frac{1}{2}$	150 =	225
Clothing, etc.	..	..	$6\frac{1}{2}$	250 =	1625
<hr/>					
25					3570
<hr/>					

Average rise = 143 per cent.

To sum up, it may be said that at present we have no satisfactory Cost-of-Living Index number, and we have no satisfactory basis for its compilation.

Additional evidence throwing more light on the actual conditions is given below, but we may repeat that the tables and graphs appended are, for reasons already stated, on the basis of the official numbers.

Wholesale Index numbers as given by *The Times*, *The Economist*, etc., should be disregarded, as they give no clue to the movements in retail prices, and these after all are the only prices which concern the housewife.

*Family Budget.*—Though of limited value for statistical purposes, family budgets show clearly the real meaning of the increase in the cost of living to the workers.

It is worth repeating here that it is generally the cheapest foods that have risen most and that the workers are generally unable to effect economies by falling back on substitutes or cheaper qualities, since these were already in use. For example cheaper qualities of beef and mutton (used exclusively by the workers) rose 120 per cent. and 133 per cent. respectively up to April, 1918, while the dearer varieties rose 80 per cent. and 73 per cent. respectively. Frozen beef and mutton (also used only by the workers) rose 145 per cent. and 167 per cent. respectively. In this way the working class family was hit harder than the well-to-do family. Also as there was no money for luxuries, it was impossible to economise by cutting out luxuries.

A specimen family budget is given, with the actual cost of the articles in 1914, and 1920 (June). The same quantities are taken in both cases.

		August, 1914.				June, 1920.	
		s.	d.			s.	d.
Bread	.. ..	2	9	3 loaves per day	.. ..	11	0
Margarine	.. ..	1	4	4 lbs.	.. ..	6	0
Tea	.. ..	1	0	1 lb.	.. ..	3	0
Sugar	.. ..		7	4 lbs.	.. ..	4	8
Tinned Milk	.. ..	1	2	4 tins.	.. ..	5	6
Coal	.. ..	2	0	3 cwt.	.. ..	8	0
Firewood	.. ..		2				10
Rent	.. ..	5	0			6	11
Soap	.. ..		4	2 lbs.	.. ..	1	10
Soda	.. ..		2	3½ lbs.	.. ..		7
Matches	.. ..		1	6 boxes	.. ..	0	6
Tobacco	.. ..	11		¼ lb.	.. ..	2	8
Blacking	.. ..		1	1 tin	.. ..		4½
Potatoes	.. ..	10		14 lbs.	.. ..	2	8
Onions	.. ..	2½		2 lbs.	.. ..		7
Carrots, etc.	.. ..	3		4 lbs.	.. ..	2	8
Cabbage	.. ..		1	1 ..	.. ..		9
Leg of Mutton	.. ..	5	0	(same weight)	.. ..	14	4
Boiling piece	.. ..	2	0	(same weight)	.. ..	4	6
Fish	.. ..		6	3 lbs. hake	.. ..	4	6
Rice	.. ..		2	1 lb.	.. ..		6
Sago	.. ..		2	1 lb.	.. ..		7
Lard	.. ..		3½	1 lb.	.. ..	1	8
Sundries	.. ..		8			2	3
		<hr/>				<hr/>	
		£1	5 9			£4	6 10½
		<hr/>				<hr/>	

This gives an increase of £3 1s. 1½d. on £1 5s. 9d., or 237 per cent.

According to the *Labour Gazette* the increase should have been 150 per cent. "Should have been" and "Was" are two different things!

A grocer gives the following comparisons. (Working-class District) :—

				1914.	1920.	Percentage
				s. d.	s. d.	Increase.
Sugar	..	..		1 $\frac{3}{4}$	1 2	700%
Tea	..	.. 1s. 2d.-1	8		2s. 8d.-3 6	130%
Rice	..	..	2		1 0	500%
Cheese	..	..	9		1s. 8d.-2 0	140%
Biscuits	..	..	7		1 11	230%
Condensed Milk	..	..	5 $\frac{1}{2}$		1 4 $\frac{1}{2}$	200%
Peas	..	..	2		8	300%
Lard	..	.. 6d.-	8		1 8	230%
Ham	..	..	10			220%
Soap	..	..	3 $\frac{1}{2}$			340%
Potatoes	..	(14 lbs.)	7		2 6	400%
Flour	..	..	1 9		4 0	130%
Irish Eggs (1 doz.)	..	..	1 2			200%
Salmon (tin)	..	..	10 $\frac{1}{2}$		2 1	140%

The *Labour Gazette* figure for May, 1920 was 141 per cent. The *Labour Gazette* itself spoke of clothing being 320 per cent. to 330 per cent. dearer than in July, 1914. This was in May, 1920.

Sir L. C. Money has calculated the expenditure which keeps the worker's family on the "poverty line," that is to say all below the figure must be classed as "poverty" which the "new era" was to abolish for ever! The details are :—

				1914.	Jan. 1920.	Percentage
				£ s. d.	£ s. d.	increase.
Rents and Rates				7 6	7 6	
Food	..	..	1 0 0		2 7 2	136%
Clothing and Boots			5 0		17 6	250%
Fuel	..	..	3 0		4 11	65%
Light, Soap, etc.	..	..	3 6		10 6	200%
Fares	..	..	1 0		1 6	50%
Drink, Tobacco, Papers, etc.	..	..	2 0		4 0	100%
T.U. subs., etc.	..	..	1 6		3 0	100%
				£2 3 6	£5 0 7	

The increases are a little underestimated in one or two items. Rent, for example, has nearly always increased if only because rates have increased, and for this another 1s. should be allowed. The expenditure for drink, etc., is probably lower than it should be, in the 1920 column, by at least 6d. The correct total would be at least £5 2s. 1d. However taking the pre-war basis of £2 3s. 6d. and applying the *Labour Gazette* Cost of Living increase for June 1st, 1921 (119%), we get the present equivalent to be £4 15s. 6d. Thus, those families receiving less than £4 15s. 6d. in July, 1920,

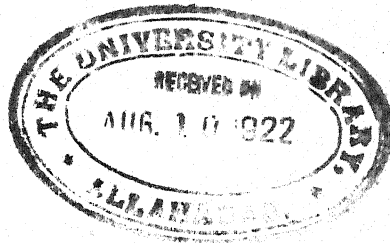


are below the poverty line, even according to official figures. And it is a poverty line.

More light on the "poverty line" is afforded by a Parliamentary reply given in March, 1919. The Government then stated that the actual cost of each convict per week was £22s. 9d., which was an increase of £1 4s. 7d. since 1914, or 119 per cent. increase, and this with the economies effected by large scale catering, to say nothing of of the spartan fare. Applying the *Labour Gazette* figures it would now cost £1 19s. 9d. to keep one man. The "experts" estimate the family as being equal to 4.57 men. Thus, if the workers live like convicts they now require a family income of £9 1s. 8d. per week.

We are now in a position to gather together the result of our enquiries in tables and charts.\* Several miscellaneous tables of Index numbers, value of £1 etc., are first given to illustrate various points that have been mentioned in the preceding discussion. These are further shown by means of graphs. In some cases it is only possible to give variations since 1914, the exact statistics required being available only for the period 1914-1920. In one case the year 1905 is taken as the base year, however, as that was a fairly typical pre-war year, free from disturbing factors which might influence the Index number.

As already explained, it is impossible to arrive at a carefully calculated index number on the basis of an extended enquiry, but from the data available we can make a rough estimate. It is fairly certain that the cost of living in June, 1921, shows an increase of between 130 per cent. and 150 per cent. above the pre-war figure; the former figure is quite the lowest estimate that can fairly be made, in view of the facts and figures here presented, for the workers in the larger towns at any rate.



\* See Appendix II and IV.

## CHAPTER III.

### WAR PROFITS.

THE fluctuations in wages and prices, interesting as they are, tell only half the story. The other half is the steadily increasing accumulation of profits during the whole period. As British capitalism is to a considerable extent organised in Public Limited Companies,\* whose shares are publicly quoted on the Stock Exchange and whose accounts are often published in the press and are in any case available at Somerset House, it may seem possible to form a fairly accurate idea of the war profits amassed by British capitalists.

#### 1.—THE INTERPRETATION OF SHARE PRICES, ETC.

When a company is first floated, certain property (land, buildings, machinery, ships, etc., according to the nature of the company) is bought with the money "subscribed" by investors, and these investors are given "share certificates" showing their right to a share in the property and future profits of the company. These shares can be sold by the original investor to any other person later on, and in fact there is a constant process of buying and selling shares. The price at which shares are bought and sold naturally depends on the prosperity of the company; that is, the shares of a company which normally pays 10 per cent. dividend fetch about double the normal price if the company begins to pay a 20 per cent. dividend. Of course the price does not vary exactly in accordance with the dividend. Let us take the case of a company which in pre-war years paid 10 per cent. regularly, and whose £1 shares were then normally valued at 25s. Now if in 1916 the company paid 20 per cent. the natural tendency would be for the price to rise to about 50s.; but in actual practice the price might rise to only 40s. (if stockbrokers and investors thought the company's business rather risky), or on the other hand it might rise to 60s. (if it was known that the company had only paid out a *part* of its years profits in the 20 per cent. dividend, and that it had put a considerable amount to "reserves" for future use.).

For this reason, fluctuations in the prices of shares are not only useful evidence, but probably the most accurate indication, of the prosperity of a company or industry—far more accurate than fluctuations in dividends. Table IV. shows the prices of shares of

\* It should be noted, however that 51,130 out of a total of 66,852 companies which were reported by the Board of Trade as registered on December 31st, 1918 (see table VII.) were private companies. But it will be seen that the aggregate capital of these companies is only 26% of the total.

typical companies, and demonstrates the general prosperity of capitalist concerns as a result of the war.

It must not be supposed, however, that capitalism has not invented a method of concealing such an indication of prosperity as is given by share prices. To take the example given above of a company whose pre-war dividend was 10 per cent. and the price of shares 25s.; let us suppose that its issued capital was £100,000; the sum paid as dividend would therefore be £10,000. When a better year came along, it might want to pay £20,000 as dividend. The normal thing to do would of course be to pay a 20 per cent. dividend; but another way would be to increase its capital to £200,000 by giving as "Bonus" one new share to every shareholder for each old share he held, and then paying its old rate of dividend, 10 per cent. This second method became very popular during the war period; and of course it is clear that instead of the price of each share doubling, the price would remain more or less the same, though the shareholder would have two shares to sell at 25s. instead of one. Table I. shows a large number of cases in which such bonus shares were issued; from this table it will be seen that in 1920, 235 companies distributed to their shareholders bonus shares aggregating over £65,000,000 on a paid up capital of nearly £98,000,000.

This leads on to the opportunities which private individuals had of amassing huge fortunes during the war by means of the enormous rises which occurred in the prices of most shares. Let us take a shipping firm, for example the Cunard Co., and let us suppose an individual had £1,000 to invest in this way. In January, 1918, the mean price of a £1 ordinary share was £4 3s. 9d. In October of the same year it was £5 11s. 6d. If this speculator had invested at the January mean price he would have obtained nearly 238 shares worth £4 3s. 9d. Now if he held on to them till October of the same year and then sold out at the mean price of that month (£5 11s. 6d.) he would have regained his original £1,000 and about £326 in addition. Small amounts have here been adopted over short periods, but from the table given in Appendix III. (Table IV.) it can be seen what immense potentialities there were for a speculator with a considerable fund at his disposal. It may be remarked here that 32s. was the mean price in 1913 of the Cunard £1 share on which the imagined speculation took place; thus there was an increase between the pre-war and October, 1918 price of the share of roughly 248 per cent. There was a closely similar position in the goods markets of every description. At the commencement of the war there were, of course, a few instances of speculation and price fluctuations, but it was not till the end of 1915 and throughout 1916 and 1917 that the opportunities for speculation in prices became immense. During the whole of this period the Government were gradually tightening their control over the raw material markets. This piecemeal method produced excellent chances for speculation.

The process of controlling the grain market, for instance, is a good example. By the beginning of 1916 the price of home and foreign wheat was completely controlled but the price of maize was not. Consequently, in view of the fact that it was considered inevitable that maize would shortly be controlled and in view of its growing scarcity, wild speculation took place on cargoes of maize in transit, a market indeed, which in pre-war days had been hardly touched by speculators. Cargoes or parts thereof were sold from one party to another and back again, the prices rising continually—each party taking its share of profits on a cargo which was as yet miles from its destination. Thus when the Government did eventually control the maize market the price at which maize was fixed was a purely inflated one, due almost entirely to speculation in anticipation of control.

This speculation, however, was not confined to grain, for it spread throughout industry until most of the opportunities had been abolished by the middle of 1918, when Government control was most comprehensive.

On decontrol, however, the same speculation became universal. The absurd heights to which the price of articles were forced in 1919 and 1920, according to the evidence given by certain Profiteering Act Committees, were due to this speculation on a limited market. The wool top making trade, for instance, according to one committee\* is a trade of a highly speculative character; thus the price of two qualities of wool had increased by 50 per cent. and 90 per cent. respectively between April and December, 1919, the comment thereon being that these increases "must have brought exceedingly large profits on unsold [stocks (unsold at the end of December, 1919)]".

It is generally admitted that the process of amalgamation received a huge impetus as a result of war time conditions. Thus, for instance, joint stock banks in England alone, where there were forty-three in 1913, had by a process of amalgamation reduced their number to twenty in 1920; further, the group known as the Big Five controlled the vast majority of the business of these twenty banks; this can be realised when it is stated that of the deposits of these banks, 83 per cent. is accounted for by this group.†

Lever Bros. is another good illustration of this process. This firm in 1914 controlled about forty companies in the great majority of which they held practically all the shares. The paid up capital of Lever Bros. itself was in 1914, £11,704,258. In 1921, according to a statement at the Annual Meeting, Lever Bros. now control 158 companies and Lever's paid up capital is £46,679,079.

By this means competition was eliminated and groups of great firms were able to gain control of markets and to exploit the consumer. Besides, this process of absorption had a further

\* Cmd. 1192 (1921), 4d.

† See Table V.

advantage; for it enabled firms whose profits had swollen to inflated values to conceal the inconvenient surplus in the firms which they had absorbed. Great industrial concerns also were actually able to turn to their advantage the failure of unsuccessful concerns. For according to certain investigations into the Excess Profits Duty (e.g. that conducted by R. M. Haig and G. E. Holmes and published as a supplement to the *American Review*, for December, 1920) this duty to a large extent contributed to the process of amalgamation. For when one concern buys out another the pre-war records of the two concerns are amalgamated and form the standard by which is measured the excess profits of the combined businesses. "This has led" according to the report "to a lively traffic in bankrupt or near bankrupt concerns which were prosperous before the war. There is competition for the privilege of using the pre-war records of these now unprofitable businesses."

## 2.—THE INTERPRETATION OF COMPANY ACCOUNTS.

We come now to the second main source of information as to the profits made by British capitalists—the accounts of Public Limited Companies. Every Trade Union when it is either putting forward a demand for an increase in wages or resisting a demand for a reduction in wages would like to have, if it could, all the facts about the financial position of the employer or group of employers with whom it has to deal. The Labour Research Department has from time to time been called upon to obtain the facts as to the profits, dividends, reserves, etc., of companies in various industries.

Such research work is rendered very difficult by the form in which the law allows company reports to be issued. In fact, not only each industry, but practically each company, issues accounts in its own form. Many of these forms seem to have been adopted because they best serve to conceal the real prosperity of the concern from the Labour investigator.

In the preceding pages reference has been made to "reserves," "undisclosed reserves," etc. It is of the highest importance that these devices, and many others, should be fully understood by Labour (more especially if there is any discussion with employers about profit-sharing, or "the serious condition of the industry")—because in accounts things are usually far from what they seem. Nowadays the Capitalists are becoming more and more anxious to hide their real profits from Labour, and they have invented many devices for that purpose.

Before going on to explain these devices, it will be useful to describe the form in which company accounts are usually issued.

All that is required by law is a "Balance Sheet." This is simply a statement of what the company *owes* (its "Liabilities") to the shareholders or to any one else in the course of business; and what it *owns* (its "Assets"—property, machinery, cash at bank, etc.) This is how the balance sheet of a company which had just been floated would appear:—

<i>Liabilities.</i>		<i>Assets.</i>	
Capital—		Property acquired	£90,000
Ordinary Shares	£100,000	Cash at Bank	.. 10,000
	<u>£100,000</u>		<u>£100,000</u>

At the end of the first year's trading, it would prepare a statement of the results, which we can imagine to have been :—

#### TRADING ACCOUNT.

<i>Expenditure.</i>		<i>Revenue.</i>	
Materials and supplies,		Proceeds from	
etc. . . . .	£75,000	Sales	.. £250,000
Wages and Salaries	125,000		
	<u>£200,000,</u>		
Balance (gross profit)	50,000		
	<u>£250,000</u>		<u>£250,000</u>

This "Gross Profit" would be brought into a "Profit and Loss" Account; and then the directors would have to decide what should be done with this £50,000 of gross profit. Let us assume that they determine to draw up the profit and loss Account as under :—

#### PROFIT AND LOSS ACCOUNT.

<i>Charges.</i>		<i>Profits.</i>	
Depreciation of		Gross profit	.. £50,000
Property	.. £4,500		
Reserve Fund	.. 20,000		
20 per cent. dividend	20,000		
Balance forward to			
next years			
accounts	.. 5,500		
	<u>£50,000</u>		<u>£50,000</u>

We must take this item by item, and see what happens to the £50,000 of actual cash which the company had gained from the year's trading (for the sake of simplicity, it is assumed that the profit is all *cash*, and that no credit is involved).

The item of dividend is simple—this £20,000 is paid out to the shareholders. It is also clear that the balance forward is not touched, but simply remains in the company's bank account for the future benefit of the shareholders. The reserve fund, again, simply remains in the company's bank account; and so does the £4,500 set aside for depreciation. In other words, whatever "funds" may be started, whatever amount may be, in the

language of accountancy, "written off" for depreciation or any other purpose, the company's bank account is improved by the whole of the gross profits, less only the amount paid out to shareholders as dividend.

The balance sheet at the end of the year's trading, and after the payment of dividend, will therefore appear as under :—

<i>Liabilities.</i>		<i>Assets.</i>	
Capital (as before)	£100,000	Property	.. £90,000
Reserve Fund	.. 20,000		
Depreciation Fund	4,500		
Balance of Profits	.. 5,500	Cash at Bank	.. 40,000
	<hr/> £130,000		<hr/> £130,000

In this example we have given the very simplest form of accounts. We have now to examine the various methods by which companies can hide their true position, taking the different stages in order.

1. *Trading Account.*—In the account of the year's trading, the company may include under "expenditure" many items which are not genuine trading expenses. For example, it is known that there was a tendency during the war to evade excess profits duty by putting down as trading expenses a good many expenses that were really *additions to property*, such as the cost of new machinery, new buildings, furniture, etc. The effect of this is to make the gross profits appear smaller than they really are; and there is no limit to the amount of profit than can be concealed in this way before the "gross profit" is arrived at. It is clear that every such transaction creates a "secret reserve": to make this clear we repeat the balance sheet as it *should* appear, supposing that the company had included in its "materials and supplies, etc." figure £10,000 which was really spent in additions to property :—

<i>Liabilities.</i>		<i>Assets.</i>	
Capital	.. .. £100,000	Property	.. £90,000
(Secret Reserve)	.. 10,000	(Property added but	
Reserve Fund	.. 20,000	not included) ..	10,000
Depreciation Fund	4,500	Cash at Bank	.. 40,000
Balance of Profits	5,500		
	<hr/> £140,000		<hr/> £140,000

This explains how a "secret" reserve is possible; there are other devices for secret reserves which are explained below. For the present, one example will show the enormous amounts that may be concealed in these secret reserves; in August, 1919, Messrs. Furness, Withy & Co. issued £2,000,000 in bonus shares to their shareholders (thus doubling their issued capital), out of some



undisclosed reserve fund, and without touching their open reserves which stood at £1,800,000 !

2. *The Profit and Loss Account.* It is at this stage in the accounting that most of the concealment of profits arises. The most varied charges, supported by a plausible explanation in the chairman's speech, may be invented in order to show that the company's "gross profits" figure (which, as we have seen, may itself be an understatement) should not be taken as the figure of profits which the shareholders get.

For example, the item Reserve Fund may be followed by other items, such as :—Special Reserve, Reserve for the equalisation of dividends, Contingency Fund, etc. etc., and the chairman may explain that these are wanted for some particular purpose, giving the impression that they are real "charges" against profits. In fact, whatever name they may bear, they are merely accumulated profits, and the amount allotted to them swells the bank balance of the company.

The second item, depreciation, is more complicated. The theory of depreciation is that each year the company's property is wearing out, and that at the end of a certain period it will be practically valueless and it will have to be renewed. Of course this period varies according to the type of property ; thus, machinery wears out in a few years ; buildings in a rather longer time ; land not at all—in fact, industrial land as a rule steadily rises in value. In the example given above, we have assumed that the company placed twenty years life on its property ; that is, it set aside as depreciation each year one-twentieth of the value of the property (£90,000), or £4,500. After twenty years, with £4,500 each year written off from profits as depreciation, there would be £90,000 accumulated, while the buildings might in fact be quite good, and the land have doubled in value. Perhaps only the machinery might need renewal, at a cost say of £10,000, while the real wear and tear of the buildings might be more than covered by the increased value of the land. In such a case the property would have been "over depreciated" to the extent of £80,000—and this £80,000, though labelled "depreciation fund," would in reality be a concealed reserve.

This practice of "over depreciation" became increasingly common during the war, and without knowing all the details it is impossible to tell how much of the depreciation of any company is really a secret reserve. An example will show the enormous amounts that may be so accumulated. In 1920 Lever Bros., issued £3,927,595 to their shareholders as bonus shares, out of their secret reserves. At the Annual meeting on April 28th, 1921, Lord Leverhulme said :—

"We have always depreciated fully and amply all the properties, not only of the parent company at Port Sunlight and elsewhere, but of all associated companies, as also have our predecessors in those associated companies founded



prior to the time of their purchase by ourselves. This depreciation has in many cases been excessive. For instance, in one associated company I have visited during the last twelve months, when I looked into the depreciation account of that company I found that the whole of the plant, machinery, buildings, etc., had been steadily depreciated at a fixed rate year after year, and the depreciation fund stood in 1920 at £20,000 more than the amount appearing on the books as the value of the properties as depreciated; therefore the whole of the plant, machinery and buildings of that company stood at £20,000 less than nothing."

The difficulty of telling what "secret" reserves are included in the trading account has already been explained; when we add that in many cases neither the trading account nor the profit and loss account are published, but only the balance sheet, the difficulty of tracing the real profits of a company becomes even clearer. Moreover, it is now the custom, instead of keeping a depreciation fund (the amount of which would appear on the balance sheet), to deduct the depreciation from the value of the property each year. As all the more important concerns are adding to their property each year, the item appears on the balance sheet as "property plus additions during the year, less depreciation" without details of the additions or the depreciation. In such cases it is absolutely impossible even to guess at the real amount added to the value, as the real amount may have been entirely or partially written off in over-depreciation.

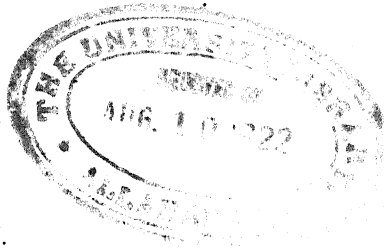
There are other methods of concealment, and no account can pretend to be exhaustive, as new devices are constantly appearing. For the sake of simplicity the question of credit transactions was omitted from the example of a balance sheet given above. In practice, of course, every balance sheet has the item "Sundry Creditors" (i.e. amounts that the company owes) among its liabilities, and "Sundry Debtors" (amounts owed to the company) among its assets. In either of these items a very substantial secret reserve may be concealed. The amounts owed to the company may be understated; or the amounts owed by the company may be overstated. Thus the chairman of the Calico Printers' Association at their Annual Meeting on September 15th, 1920, said in reference to an item entitled "Creditors and reserve for Contingencies":—

"As I stated in 1918 this will ultimately be subject to a good deal of adjustment. . . . To whatever extent it contains, as it largely does contain, reserves against liabilities which must be provided before arriving at a trading profit for any period, we believe it to be so far as we can estimate, adequate for all contingencies."

There is also the device of absolutely omitting the real value of certain property from the balance sheet; for example, some

years ago Courtaulds, Ltd., set up the American Viscose Co. In 1920 the directors announced that it had by then become very valuable, and it was entered in the balance sheet at a figure of nearly £8,000,000 ; and bonus shares to the extent of £8,000,000 (200 per cent. on the Company's capital) were issued to the shareholders to make the balance-sheet balance !

It will be clear from the foregoing that it is not possible to sum up the profits of all companies, or even of an industry, without access to the private ledgers of the companies. The published figures of profits are gross understatements. The amount of deception varies from firm to firm ; one will conceal 25 per cent. of its profits, another 80 per cent. ; and although in some cases careful scrutiny, or the indiscretion of the company's chairman, may indicate the existence of secret reserves, it is not possible to form any accurate idea of the amount of profits concealed in this way. Certain figures of profits made by a number of companies are given each quarter in *The Economist*, but careful investigation has shown these to be so much below the real figures that to reproduce them would give a wrong idea of the facts.



#### CHAPTER IV.

### WAGES, PRICES AND PROFITS.

It is a commonplace of economics that wages tend to lag behind prices. When prices are rising wages tend to rise, though more slowly; or, as the economist puts it, the price of labour is the price which most slowly follows the general movement of prices. In such bloodless fashion is the tragedy expounded.

The factor which is responsible for greater acceleration in the rise in wages is the existence of Trade Unionism. Strongly organised, labour can force a rise in wages to follow more quickly a rise in prices and this is seen in a comparison between organised workers and workers in unregulated trades. For example, there is evidence to show that for large numbers of unorganised shop assistants wages rose to a very small extent between 1914 and 1920, so that their standard of life went down enormously. Even under the Trade Boards Acts, progress depends mainly on Trade Union activity. The Trade Unions did not, however, exercise unrestrained powers during the war. The most strongly organised sections failed in many cases to maintain wages at their pre-war value and the rise in wages followed almost without exception and did not precede the increase in cost of living. The latter rise was indeed the cause of the former. No doubt, owing to the working of the present system, a rise in wages led to a further rise in prices, and thus to the vicious circle about which we have heard so much, but it cannot be too strongly emphasised that the increase in the cost of living came first. It was because it was impossible to live on the existing wages, with prices going up all the time, that demands for increases were put forward.

By the end of 1914, the cost of living had risen 15 per cent. above the level of July, 1914, yet in only one industry was there any rise in wages, and that was a rise of 7 per cent. only (engineering). By the end of 1915, the cost of living had risen 35 per cent. above the pre-war level and yet during 1915 only one industry, mining, showed an increase in wages of anything like this figure. The wages in several large trades, indeed, did not rise at all during 1914 or 1915. Such was the case in cotton spinning, tailoring, and cabinet making. In others, for example brick-laying, wool spinning, hosiery knitting, boot and shoe making, printing, pottery, baking, and in the civil service, wages rose less than 10 per cent. during this period.

So all the way through we find the same thing. Wages rose more slowly than prices, and it is important to note that as a rule those workers who were most strongly organised forced the

pace most successfully, and only those sections managed finally to reach a level equal to that reached by the soaring cost of living.\* These facts will be evident from the tables and graphs appended, but a few extracts from these will serve to emphasise the position. By the end of 1916 the cost of living had risen 65 per cent. The only workers who secured a similar increase in wages were the miners, who are the most strongly organised body, while the weakly organised clothing workers had not secured a rise at all. Some well-organised bodies, it is true, made slow progress at first but made up for this later. Take cotton, for example. We have a rise of only 5 per cent. by 1916, but 110 per cent. increase by 1918 and 182 per cent. increase by 1920, as compared with a cost of living increase of 125 per cent. by the end of 1918, and 176 per cent. in 1920. On the other hand the weakly organised pottery workers had secured only 60 per cent. by 1918 (less than half the rise in the cost of living) and 108 per cent. by 1921, when the cost of living had increased 170 per cent.

Taking the year 1920 which saw the highest level reached by prices, namely 176 per cent. increase over the pre-war level, we find that wages reached an even higher level in four industries, namely, textiles, transport (railways and docks), steel (Siemens) and agriculture. On the other hand it has to be remembered that before the war transport and agriculture were practically sweated industries and that there cannot possibly be any return to the pre-war standard in these cases. The astonishing growth in the organisation of agricultural workers during and since the war was partly a cause, partly a result, of the rise in wages. The main point, however, was the exceptionally important part played by farming and food-production generally, and the consequent establishment of the Agricultural Wages Boards. A similar result followed from the importance of the Transport industry, though different machinery was invoked for wage fixing, and in the case of the Railwaymen a strike was necessary.

Turning to the other extreme we have to set against an increase in prices of 176 per cent., a rise in wages of only 133 per cent. (engineering), 125 per cent. (hosiery), 112 per cent. (tailoring), 108 per cent. (pottery), 98 per cent. (tobacco) and 93 per cent. (boot and shoe).

It will hardly be necessary to say that these figures do not refer to everyone in the industry, as rates vary from grade to grade, but a large representative section has been taken in each case.

The statistics and charts show quite clearly that as far as these sections of each industry are concerned, wages only rose after the cost of living had increased and that in most cases the rise in wages did not compensate for the increased prices.

In other words, *real* wages and therefore the workers' standard of life, have in most cases declined as compared with pre-war

\* But women workers in general were an exception, as their wages rose most of all.

times. The figures of Tables I.\* and I.† are combined in Tables VIII.\* and IX.\* to show the variation for certain representative classes of workers in real wages, purchasing power, or standard of life. That is, the figures given in Tables VIII.\* and IX.\* show not how the money wage has varied but how the real worth of the money wage in purchasing power has varied. Such results are much more valuable than tables of nominal wages, for they reveal at once the striking fact that throughout the war practically all workers suffered a decline in standard of living, even counting the advances and bonuses secured. In 1915 no class of workers shown in the Table reached their pre-war standard of life; in 1916, only the miners did so. Railway workers were the only class to reach their pre-war level in 1917 and 1918. In 1919 there were four groups, and in 1920 six groups which reached that level. These Tables do not, of course, represent a statistical average of the earnings of all workers in any industry. Such an average could only be arrived at with infinite difficulty and small pretence to accuracy, owing to the lack of reliable information as to (a) the number of workers covered by any particular advance, and (b) the relation of time-rates to earnings—including piece-work and short time—in each particular case. In the absence of this information, however, the Tables, which give the actual changes in the time-rates of the important trades which they cover, are as good an indication as can be achieved.

We find on the other hand that in the tailoring trade the standard of life actually went down in 1916 to 60 per cent. of what it was in July, 1914. From 1913-14 to 1918-19, as will be seen from Table III.† gross profits from businesses increased by over 200 per cent. Actually, in the period 1916-1920, about £900,000,000 was paid over by companies in the form of Excess Profits, while about three times as much in *addition* was assessed for Income Tax as profits from public companies.

Yet the workers had in nearly all cases to suffer a severe decline in their standard of life, and even by the end of 1920 two-thirds of the industries had not reached their pre-war standard of real wages.

## CHAPTER V.

### THE ATTACK ON WAGES.

THE fictitious trade prosperity due to war conditions was followed in 1920—as the economists had predicted—by a widespread stagnation of trade generally accompanied by falling prices. Warehouses were glutted with apparently unsaleable goods. Hundreds of thousands of workers were thrown out of employment, or placed on short time. Advances of wages were brought abruptly to a check, and employers now put in their claims for wholesale and drastic reductions. The miners were among the first of the workers to be severely hit. The acute depression of the South Wales export trade had already caused a serious decline of output which was reflected under the new sliding scales in a substantial fall of wages, when the Government saw fit unexpectedly to release the mines from control. The employers had at last a free hand, and they instantly announced their intention of cutting down wages to a level equivalent for many thousand miners to a weekly sum of substantially less than £1 a week at pre-war value. Not merely all relationship to the cost of living was ignored, but it was proposed to reverse the policy of national settlements and to fix wages according to the capacity of the mines in each district to pay. While the miners in South Wales and the Forest of Dean were asked to accept reductions of 30, 40, and even 50 per cent., South Yorkshire miners were actually offered an advance. The terms were indignantly rejected by the miners in every district, with the result of the famous coalowners' lock-out. Similarly, the Engineering and National Employers' Federation proposed reductions of wages ranging from 12s. to 30s. per week, with the effect of bringing down rates to fifty points below the Ministry of Labour cost of living index figure. Women's wages in the Midlands district had already been reduced from a minimum of 43s. 6d. to one of 35s. 9d. a week. Dock labourers were threatened with an immediate all-round reduction of 4s. per day. The cotton manufacturers proposed a general decrease of 95 points in the figure of war advances, and the woollen manufacturers an all-round decrease of about 20 per cent. apart from the variations of the cost of living sliding scale. The good defence put up by the trade unions and the possibility of a general stoppage of work, which would spread from one industry to another, caused employers afterwards to modify their claims, but, as we have seen, wages were subject to very drastic reductions in the summer of 1921. Simultaneously, there began an organised attack by employers on the Trade Boards Act, to which the

Government became apparently a party. The Wages (Temporary Regulation) Act came to an end in the autumn of 1920. The effect was to expose several millions of workers in unregulated trades to indiscriminate reductions of wages. The trade unions expostulated, but the Government defended its action on the ground that some fifty or sixty new trade boards were in process of setting up, by which these trades would be almost immediately covered. The Government, however, now changed its mind. The setting up of new trade boards was indefinitely postponed, and the greater part of the official staff engaged in this task was actually discharged! Grocers and provision merchants, coming under the Act for the first time, flouted openly the decisions of the board and the Government supported their revolt by refusing to endorse the minimum rates which the board had proposed. The failure to appoint a proper staff of inspectors led elsewhere to widespread evasions of the law. "Whitley" councils broke down for similar reasons, and employers deserted from their side of the board rather than obey its decisions. But the climax was reached when the Government announced suddenly in June its intention of repealing the Agricultural and Corn Production Acts, with the result of squashing the agricultural wages board—an announcement received with cheers from the coalition benches of the house of Commons. The Government had come to the conclusion that the provisions relating to wages were "more than the country can afford," and it was proposed to throw agricultural workers back to the old conditions of dependency on farmers and landlords at the fall of the harvest, precisely when their labour would be least in demand and they would stand strategically in the least favourable position. The trade union agitation for the retention of the boards resulted in the usual compromise, but purely voluntary conciliation boards are no substitute at all for statutory powers of enforcing a legal minimum wage. It was in line with the same reactionary policy of non-interference that the Government refused to ratify the Washington international convention which prescribed a legal eight-hour day—a breach of faith which caused both sides of the National Industrial Conference Provisional Committee to resign in disgust. The national machinery for regulating wages and working conditions which had in many ways had a steadying effect on war advances—the provision of the Trade Boards Act which requires that six months should elapse between one decision and the next was felt by the workers at one time as no mean drag—this machinery was now arbitrarily to be scrapped, and wages were to tumble down pell mell. It was assumed by employers as a matter of course that prices, which had gone up before the rise of wages, could not come down except after this fall. The employers' attitude towards the workers can only be described as one of "heads I win and tails you lose." Consciously or unconsciously, as profits fell or turned to losses, the employers shifted their ground, and the focus in industrial disputes

was transferred from the workers' need of a living wage to " what the industry could afford to pay."

Employers maintain that the sum of wages is limited by the capacity of the industry to pay, but economic capacity is an elastic term. The bankruptcy of a particular firm does not affect any except private interests. From the national standpoint, it is only necessary to consider the economic capacity of the industry as a whole, and over a reasonable period of years. Fluctuations of trade are a normal phenomenon of industry, and periodical waves of trade depression form a part of ordinary commercial risks. Enormous profits were made by employers during the war, and with no obvious justification. Where the margin of income is a wide one, as employers were quick enough to discover in the case of higher-paid workers, compensation for high prices is not so pressing a matter. Vast fortunes were no doubt squandered away by employers and their families in senseless luxury, during the war, but more significant than war extravagance was the rich reward of abstinence. While war wages were absorbed, or more than absorbed, in mere cost of living, war profits were transformed by employers into new forms of capital. In spite of the excess profits tax, they were able to build up great reserve funds and huge stores of plant and material. Bonus shares were issued to shareholders, or other means were taken of inflating capital, and a fresh burden of interest was thrown on the industry. Until these shares are written down, employers have not seriously begun to tap their reserves. Nor can the Government be absolved from its financial responsibility for the present trade crisis. Where large sums have been taken out of the industry for the public benefit, directly as excess profits or indirectly in the form of controlled prices, there may be a case for refunding a part of this money under very special circumstances. The £10,000,000 granted from the Treasury to the mining industry for the purpose of maintaining wages at a reasonable level during the critical period of transition from war-time to normal conditions may be viewed as a refund of this kind. It is not an unreasonable claim on the part of the workers that the class which draws the profits should bear the losses, or that a great industry should be ordered so as to provide full maintenance for the workers in bad years as well as in good years. The fierce tenacity with which employers everywhere defend their right of private ownership in industry suggests that the outlook of capital in this country is not so black as the public is led to suppose.

But, apart from ethical considerations, it seems a very doubtful matter how far reductions of wages can achieve the object for which employers expressly advocate them, and by offering the means of cheap production enable a return to good trade. The present acute trade depression may be chiefly traced to international causes and the persistence of war conditions in Europe. Foreign markets are closed to British merchants for political



reasons, or because of the contracted purchasing power in impoverished countries and the breakdown of international exchange. Owing to depreciated currency, goods may be produced in Germany at prices quite uneconomic in this country. British manufacturers have been known to declare that they could not meet German competition, even if they did not pay wages at all! Various schemes for the restoration of Europe have been put forward by economists, but the Government has hardly begun seriously to tackle the problem. For under the Overseas Trade (Credit and Insurance) Acts facilities have only recently been given on a limited scale for the importation of raw materials and primary necessities into the impoverished countries of Europe: while the Ter Meulen scheme for granting credit for trade on an international scale still shows no signs of coming into operation. Nor is there any evidence to show that the effect of reductions of wages is to stimulate demand at home. On the contrary, the loss of purchasing power in a class whose limited incomes are necessarily transformed at once into an effective demand for goods and services, must tend to aggravate depression. The benefit seems reserved to employers who would take advantage of cheap labour in order to swell profits in the next period of trade prosperity. A better plan would be for merchants and manufacturers to make up their minds to cut their losses and unload the stocks which they are notoriously holding up against an upward turn of the market. Not merely the public would benefit by the fall of prices, but purchasers would not hold their hands in the expectation of further reductions, and the path would be cleared for a fresh start. There is, moreover, no necessary connection between wages and prices. It is significant that the drastic reductions of wages to which miners were subject at the end of the coalowner's lock-out was immediately followed by a rise of 3s. per ton in the price of domestic coal. It may actually pay employers to dispose of a smaller output at a higher price, and to throw the burden of restricted demand upon the workers in the form of unemployment or short time.

Employers preserve the utmost secrecy on all matters of costing, and the facts are only disclosed under compulsion. The Sankey Coal Commission revealed, not merely obsolete methods and machinery in a number of pits, but a complete absence of co-operation between coal-owners. In the opinion of expert witnesses, it would be possible under a system of unified control to effect very large economies as regards both the running of the pits and the distribution of coal, but the Government was not prepared to use the necessary powers of coercion against the coal-owners, and there are no signs of reform. It seems an obvious preliminary to a reduction of wages that the administration of the industry should be subject to public enquiry and placed on a proper basis of efficiency. Another simple means of economy is suggested in the handsome fees voted by shareholders without

demur to the chairman and directors of the company, who may only be qualified by birth for their posts. • While managing directors receive (in addition to profits) fixed salaries amounting to £10,000 a year, there can be no case for cutting down wages below the level of decent subsistence. The point is economically a small one, but has a clear moral significance.

Finally, it should be borne in mind that war wages represent for the most part merely compensation for the rise in the cost of living. The trade unions took little or no advantage of the war emergency in order to force up wages above their material value. It is significant that the largest increases were received, not by skilled workmen who stood in the strongest strategical position for enforcing their claims, but by general labourers and women, or under the Trade Boards Acts. If only to expedite output, special consideration was given during the war to lower-paid workers who received proportionately large advances, but wages have not been raised in their case above the bare poverty line, and to return now even to the pre-war standard of living would mean a reversion to the "sweated" conditions which the Prime Minister has again and again declared to be abolished for all time. Nor do men's eyes look eternally towards the past, and the workers will not for ever be content to receive a mere "fodder" wage. A comparison of income between the two classes of employers and wage-earners suggests that advances of wages are overdue, not only in some "sweated" trades, but to practically the whole body of manual and clerical workers, including in many cases salaried managers and technicians. So long as the present gross disparities of income persist, there can be no such thing in industry as a permanent settlement of disputes.

## SUMMARY OF CONCLUSIONS.

### WAR WAGES.

1. Advances of wages during the war ranged in most cases from 100 per cent. to 200 per cent., but larger amounts were received by workers who were admittedly underpaid in 1914.
2. Wages did not rise to a great extent even for lower paid workers until the latter part of the war.
3. "Profiteering" on the part of the workers was deliberately checked by the Government as well as by employers, and war advances were restricted so far as possible to compensation or part compensation for the rise in the cost of living.
4. Apart from this the main achievement of the workers during the war was the establishment of national minimum rates of wages and the levelling up of wages in backward trades and backward districts.

### WAR PRICES.

1. Retail prices rose by 212 per cent. between 1906 and 1920, all but an insignificant part of the rise occurring between 1914 and 1920. The fall began at the end of 1920.
2. Expressing the facts in another way, the value of the sovereign (in food) went down from 20s. in 1914 to 7s. 2d. at the beginning of 1921.
3. Wholesale prices rose to a greater extent than retail prices, in the same period, and the fall began sooner (about July, 1920).

### WAR PROFITS.

1. Owing to exceptional opportunities for speculation and to the elimination of competition by amalgamation between companies, manufacturers and traders were able to secure very large profits during the war; there is, moreover, reason to believe that profits amounted to very much larger sums than was apparent to the public.
2. The prosperity of a company is normally measured by the price of its shares on the market; this prosperity, however, was concealed during the war by the issue of bonus shares, which, while reducing the price of the share, increased the number held.
3. The methods employed by companies to conceal their true position were as follows:—
  - (a) By making fictitious additions to trading expenses which were in reality additions to property in the form of machinery, etc., thus creating a secret reserve.
  - (b) By setting aside sums to imaginary reserve funds, when making up the profit and loss account, which in reality, though stated to be for some specific purpose such as the equalisation of dividends, merely went to swell the accumulated profits of the company.
  - (c) By over-depreciating property. This device became increasingly popular during the war.

- (d) By concealing secret reserves in the items "creditors," and "debtors"; thus the amount owed by a company may be overstated or the amount owed to a company may be understated.
- (e) By the omission of certain property from the balance sheet altogether, only to be brought in at some future date and capitalised by the issue of bonus shares.

#### WAGES, PRICES AND PROFITS.

1. The percentage rise in nominal prices was very rarely as great as the percentage rise in retail prices except in the case of lower-paid workers.
2. Wage increases followed in almost every case and did not precede the rise in prices.
3. Real wages or purchasing power, therefore, showed on the whole a decline between 1914 and 1920.
4. While advances of wages were absorbed, or more than absorbed in cost of living, employers were able to add enormously to their capital wealth.

#### THE ATTACK ON WAGES.

1. As the artificial trade prosperity due to war conditions came to an end there was a sharp break in prices, and employers, maintaining that this would be followed by a serious fall in profits, immediately put in claims for wholesale and drastic reductions of wages.
2. National machinery for fixing wages which had to some extent had a steadying effect on war advances was broken down, and the emphasis in wages disputes transferred from "compensation for the cost of living" to "what the industry could afford to pay."
3. In considering the employers' case for reductions of wages, in order to meet the present trade crisis, the following facts may be pointed out :—
  - (a) that very large profits were made by employers during the war, which sums are, or ought to be, available for tiding over the present trade depression.
  - (b) that the present trade depression is primarily due not to exceptional costs of production, but to the persistence of war conditions in Europe, and to depreciating currency and the contraction of purchasing power in impoverished countries.
  - (c) that cheap labour does not necessarily lead to low prices, and prices may be actually raised while wages are reduced.
  - (d) that costs of production may be reduced by other means than reductions of wages, namely, by up-to-date methods and machinery and economy in management.
  - (e) that present rates of wages do not represent more and in many cases less than a bare "subsistence" wage.

## APPENDIX I. WAGES.

### SOURCES OF INFORMATION.

THE main sources of information from which the following tables have been compiled are the "Changes in Rates of Wages and Hours," published each month in the *Labour Gazette*, the Ministry of Labour Report on "Standard Rates of Wages and Hours of Labour," issued for 1920, and in some cases the summaries of evidence in the Report of the War Cabinet Committee on Women in Industry. This information has been supplemented by trade union annual reports and journals and by figures supplied directly by the trade unions to the Labour Research Department. Other sources of information relating to particular industries are the Commission of Enquiry into the Coal Industry, 1919, the Docker's Court of Enquiry, 1920, and the Court of Enquiry into the Tramways Industry, 1921.

TABLE I.—RATES OF WAGES IN

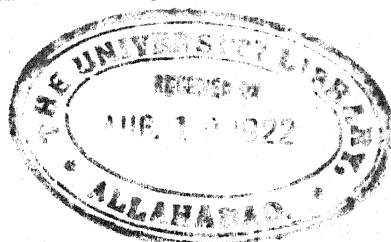
		1914 (Dec.).	1915 (Dec.).	1916 (Dec.).
<b>BUILDING TRADES.</b>				
London—	Bricklayers..	1	11½d.	1/0½
	Labourers ..	2	7½d.	9d.
Manchester (Grade A.)—	Bricklayers..	3	10½d.	11d.
	Labourers ..	4	6½d.	7½d.
Exeter (Grade C.)—	Bricklayers..	5	8½d.	8½d.
	Labourers ..	6	5½d.	6d.
Glasgow—	Bricklayers..	7	10½d.	11½d.
	Labourers ..	8	—	8½d.
Hours of work per week ..		9	49½-53½	—
<b>MINING INDUSTRY.</b>				
South Wales—	Coal-getter ..	10	9/4 <sup>3</sup>	12/4
	Labourer (underground) ..	11	5/8	6/10
Durham—	Coal-getter ..	12	8/2	—
	Labourer ..	13	5/11	—
South Yorks—	Coal-getter ..	14	10/2	—
	Labourer ..	15	6/7	—
Lancashire and	Coal-getter ..	16	8/6	—
Cheshire	Labourer ..	17	5/9	—
Scotland—	Coal-getter ..	18	8/3	—
	Labourer ..	19	6/6	—
Hours of work per shift ..		20	8	—
<b>METAL TRADES.</b>				
<b>Engineering Industry—All male workers</b>				
(over 21 years)—				
Fitters and Turners—	London ..	21	—	—
	Swansea ..	22	43/- <sup>5</sup>	47/-
	Tyne ..	23	40/-	44/-
	Trowbridge..	24	37/-	41/-
	Glasgow ..	25	27/-	27/-
Pattern-makers—	London ..	26	38/3	42/6
	Tyne ..	27	48/9	52/9
	Glasgow ..	28	40/-	44/-
Machinists—	London ..	29	40/6	44/6
	Tyne ..	30	35/-	39/-
Labourers—	London ..	31	32/6	36/6
	Tyne ..	32	23/-, 28/-	—
	Glasgow ..	33	23/6, 24/-	—
	Glasgow ..	34	23/4, 27/-	—
<b>Shipbuilding Industry.</b>				
Boilermakers—Platers—	London ..	35	47/-	—
	Barrow ..	36	39/9	—
Riveters—	London ..	37	40/6	—
	Barrow ..	38	37/6	—
Holders-up—	London ..	39	35/-	—
	Barrow ..	40	32/-	—
Shipwrights —	London ..	41	42/6	—
	Barrow ..	42	41/6	—
	Glasgow ..	43	41/7	—
<b>Engineering and Shipbuilding Industries</b>				
Women—Work recognised as men's work	44	—	16/- <sup>8</sup>	20/- <sup>7</sup>
Work recognised as women's work	45	12/- <sup>6</sup>	16/- <sup>8</sup>	16/- <sup>7</sup>
Hours of work per week (all above)—Men ..	46	5½	—	—
Women	47	5½	—	—

<sup>1</sup> The figure of maximum advances takes no account of increases of wages which took place between December, 1920, and June, 1921, but were followed immediately by compensating, or more than compensating, decreases.

<sup>2</sup> Trade union rate per hour.

<sup>3</sup> Average piece-work earnings. The figures given for 1914 and 1918 are taken from the Report of the Royal Commission of Earnings in the Mining Industry, 1919. The figures given in the other columns have been arrived at by the addition of the various percentages and war wages. They take no account of variations of output and represent only very rough estimates.

1917 (Dec.).	1918 (Dec.).	1919 (Dec.).	1920 (Dec.).	1921 (June).	Maximum advance on pre-war rates.	
1/3 $\frac{1}{2}$	1/5+12 $\frac{1}{2}$ %	1/11 $\frac{1}{2}$	2/4	2/2	+143%	1
11 $\frac{1}{2}$ d.	1/4 $\frac{1}{2}$ +12 $\frac{1}{2}$ %	1/8	2/1	1/11	+235%	2
1/2	1/6	1/10	2/4	2/2	+167%	3
10d	1/2	1/6 $\frac{1}{2}$	2/1	1/11	+284%	4
10d.	1/-	1/5	2/-	1/10	+182%	5
7 $\frac{1}{2}$ d.	10d.	1/8	1/9	1/7	+282%	6
1/1	1/4 $\frac{1}{2}$ +12 $\frac{1}{2}$ %	1/5 $\frac{1}{2}$ +12 $\frac{1}{2}$ %	2/4	2/2	+167%	7
10d.+1/- <sup>(per wk.)</sup>	1/0 $\frac{1}{2}$ +12 $\frac{1}{2}$ %	1/1 $\frac{1}{2}$ +12 $\frac{1}{2}$ %	1/11 $\frac{1}{2}$	1/9 $\frac{1}{2}$	+173%	8
			4 $\frac{1}{2}$	—	-71%-18%	9
17/2	18/8	20/8	25/9	23/9	+176%	10
10/4	11/10	13/10	17/10	15/10	+215%	11
14/-	15/6	17/6	22/-	20/-	+169%	12
8/8	10/2	12/2	16/2	14/2	+173%	13
16/7	13/1	20/1	25/1	23/1	+147%	14
10/8	12/2	14/2	18/2	16/2	+176%	15
13/11	15/5	17/5	21/11	19/11	+158%	16
9/5	10/11	12/11	16/11	14/11	+193%	17
15/3	16/9	18/9	23/6	21/6	+185%	18
11/-	12/6	14/6	18/6	16/6	+184%	19
		7	—	—	-121%	20
+20/-+12 $\frac{1}{2}$ % <sup>4</sup>	+28/6+12 $\frac{1}{2}$ %	+33/6+12 $\frac{1}{2}$ %	+39/6+12 $\frac{1}{2}$ %	+39/6+12 $\frac{1}{2}$ %	—	21
70/10	80/6	86/-	93/10	93/8 $\frac{1}{2}$	+134%	22
61/3	80/3	101/9	110/-	100/-	—	23
66/2	75/11	81/6	88/3	88/3	+135%	24
45/-	67/6	—	75/6	75/6	—	25
66/6	76/3	81/8	88/3	88/3	+132%	26
81/-	85/6	91/1	109/8	109/8	—	27
69/9	84/11	—	92/9	92/9	+132%	28
74/8	78/6	81/8	90/6	90/6	+122%	29
63/-	74/9	80/5	87/-	87/-	+149%	30
64/1	—	—	84/4	84/4	—	31
—	—	—	74/9	74/9	—	32
—	—	—	70/10, 72/-	70/10, 72/-	—	33
—	—	—	70/1, 74/5	70/1, 74/5	—	34
—	—	—	97/4	90/7	+107%	35
—	—	—	91/11	85/2	+131%	36
—	—	—	90/-	83/3	+122%	37
—	—	—	88/7	81/10	+136%	38
—	—	—	83/9	77/-	+138%	39
—	—	—	81/6	74/3	+145%	40
—	—	—	100/1	93/4	+135%	41
—	—	—	92/3	85/6	+122%	42
—	—	—	92/3	85/6	+122%	43
30/-	35/-	40/-, 43/6 <sup>8</sup>	—	—	—	44
28/-	33/-	38/-, 41/6 <sup>8</sup>	38/-, 41/6 <sup>8</sup>	35/9 <sup>8</sup>	+217%-240%	45
48	—	47	—	—	—	46
						47

<sup>4</sup> On gross earnings.<sup>5</sup> Trade union minimum time rates. The London figures for 1914 include an advance since July, 1914.<sup>6</sup> Midlands district.<sup>7</sup> Statutory rate.<sup>8</sup> Federated firms.

		1914 (Dec.).	1915 (Dec.).	1916 (Dec.).
<b>METAL TRADES—continued.</b>				
<b>South Wales Siemens Steel Trade.</b>				
Workpeople having weekly earnings up to 20/-	1	—	+15%	+27½%
Workpeople having weekly earnings from				
20/1-30/-	2	—	+20%	+32½%
30/1-40/-	3	—	+15%	+27½%
40/1-50/-	4	—	+10%	+22½%
50/1-60/-	5	—	+10%	+22½%
60/1-70/-	6	—	+10%	+22½%
70/1-100/-	7	—	+10%	+22½%
over 100/-	8	—	+10%	+22½%
Hours of work per shift .. .. .	9	12	—	—
<b>TEXTILE TRADES.</b>				
<b>Cotton Industry (Northern counties district).</b>				
All Workpeople	10	—	—	+5%
Men— Card and blowing rooms .. .. .	11	32/- <sup>3</sup>	—	—
Spinners .. .. .	12	45/- —50/- <sup>3</sup>	—	—
Weavers (4-loom) .. .. .	13	28/- —32/- <sup>3</sup>	—	—
Warehousemen .. .. .	14	24/- <sup>2</sup>	—	—
Women— Card and blowing-rooms .. .. .	15	20/- —29/- <sup>3</sup>	—	—
Ring-spinners .. .. .	16	16/- —24/- <sup>3</sup>	—	—
Weavers (4-loom) .. .. .	17	28/- —32/- <sup>3</sup>	—	—
Hours of work per week .. .. .	18	55½	—	—
<b>Wool Industry (Yorkshire and Lancashire districts).</b>				
All Workpeople—Timework (men & women)	19	—	+7½%	+25%
Piecework (men)	20	—	+7½%	+25%
(women)	21	—	+7½%	+25%
Men—Scheduled occupations .. .. .	22	—	—	—
Labourers, etc. .. .. .	23	—	—	—
Warehousemen .. .. .	24	28/- <sup>3</sup>	—	—
Women .. .. .	25	—	—	—
Hours of work per week—Warehousemen	26	52½	—	—
Other sections	27	55½	—	—
<b>Linen Piece Goods Trade.</b>				
Great Britain— Men .. .. .	28	—	—	—
Women .. .. .	29	—	—	—
Dumfermline— Tenters and dressers .. .. .	30	28/- —40/- <sup>3</sup>	—	—
Weavers .. .. .	31	—	—	—
Other men .. .. .	32	17/- —24/- <sup>3</sup>	—	—
Other women .. .. .	33	—	—	—
Kirkcaldy— Tenters and dressers .. .. .	34	—	—	—
Lappers and finishers .. .. .	35	—	—	—
Labourers .. .. .	36	—	—	—
<b>Jute Trade.</b>				
Great Britain— Men .. .. .	37	—	—	—
Women .. .. .	38	—	—	—
Dundee— Men .. .. .	39	23/- —25/-	+4/-	+6/-
Women .. .. .	40	18/- —20/-	+4/-	+6/-
<b>Flax and Hemp Trade.</b>				
Great Britain— Men Tenters .. .. .	41	—	—	—
Dressers .. .. .	42	—	—	—
Other men .. .. .	43	—	—	—
Women Skilled .. .. .	44	—	—	—
Other women .. .. .	45	—	—	—
Hours of Work per week .. .. .	46	55	—	—

<sup>1</sup> A fall of 1% to ½% for each 1/- increase in base earnings.

<sup>2</sup> Trade union standard time rates.

<sup>3</sup> Average piecework earnings.

<sup>4</sup> Special additional increase.

<sup>5</sup> Revised basic rate.



1917 (Dec.).	1918 (Dec.).	1919 (Dec.).	1920 (Dec.).	1921 (June).	Maximum advance on pre-war rates.	
+52½%	+62½%	+125%	+175%	+120%	+175%	1
+72½%	+95%	+140%	+190%	+120%	+190%	2
+67½%	+85%	+139% <sup>1</sup>	+189%	+110%	+189%—180%	3
+62½%	+75%	—	—	+110%	+179%—170%	4
+60%	+70%	—	—	+110%	+169%—160%	5
+50%	+55%	—	—	+110%	+159%—155%	6
+42%	+45%	—	—	+110%	+154%—140%	7
+40%	+42½%	+75%	+125%	+110%	+139%—125%	8
—	—	8	—	—	—33%	9
+35%	%110+	+140%	+210%	+150%	+210%	10
—	—	—	+10% <sup>4</sup>	—	+220%	11
—	—	—	—	—	+210%	12
—	—	(22/1) <sup>5</sup>	+5% <sup>4</sup>	—	+210%	13
—	—	—	—	—	+215%	14
—	—	—	—	—	+210%	15
—	—	—	—	—	+210%	16
—	—	48	—	—	+210%	17
—	—	—	—	—	—14%	18
+60%	+104%	+10%+125%	+15%+175%	+15%+135%	+216%	19
+48%	+83%	+10%+100%	+15%+144%	+15%+111-119%	+181%	20
+51%	+89%	+10%+106%	+15%+152%	+15%+117-126%	+190%	21
—	—	—	91/58	78/13 <sup>5</sup>	—	22
—	—	—	87/-	75/-	—	23
—	—	68/10 <sup>8</sup>	92/-	79/4	+223%	24
—	—	39/11	53/9	45/11½	—	25
—	—	48	—	—	—9%	26
—	—	48	—	—	—14%	27
—	—	—	—	60/- <sup>10</sup>	—	28
—	—	—	36/- <sup>10</sup>	37/- <sup>10</sup>	—	29
—	—	—	68/-—78/-	68/-—78/-	+143%—195%	30
—	—	—	+125%	+125%	+125%	31
—	—	—	50/-—58/-	60/- <sup>10</sup>	+253%—150%	32
—	—	—	+100%	+100%	+100%	33
—	—	—	84/8	70/-	—	34
—	—	—	82/2	66/3	—	35
—	—	—	69/10	57/9	—	36
—	—	—	50/- <sup>10</sup>	50/- <sup>10</sup>	—	37
—	—	—	32/- <sup>10</sup>	32/- <sup>10</sup>	—	38
+13/-	+20/-	+20/-	+31/-	+31/-	—	39
+11/-	+15/-	+15/-	+23/-	+23/-	—	40
—	—	—	—	70/- <sup>10</sup>	—	41
—	—	—	—	65/- <sup>10</sup>	—	42
—	—	—	54/- <sup>10</sup>	60/- <sup>10</sup>	—	43
—	—	—	36/- <sup>10</sup>	36/- <sup>10</sup>	—	44
—	—	—	32/- <sup>10</sup>	32/- <sup>10</sup>	—	45
—	—	—	48	—	—73%	46

<sup>6</sup> Increase on basic rate bearing no cost-of-living wage.

<sup>7</sup> Increase on basic rate bearing cost-of-living wage.

<sup>8</sup> Minimum time-rates including all advances.

<sup>9</sup> Time rates in general operation.

<sup>10</sup> Trade Board rate.

		1914 (Dec.).	1915 (Dec.).	1916 (Dec.).
<b>TEXTILE TRADES—continued.</b>				
<b>HOSIERY TRADE</b> (Leicester, Loughboro', Nottingham, Mansfield, Sutton-in-Ashfield, Ilkeston, Derby, Hinckley and Coventry districts)—				
Men .. .. .	1	40/- <sup>1</sup>	+8½%	+19%
Women .. .. .	2	25/- <sup>1</sup>	+8½%	+19%
Hours of work per week .. .. .	3	53	—	—
<b>Silk Trade.</b>				
Leek—				
Men—Machine fettlers .. .. .	4	28/- <sup>2</sup>	—	—
Other men .. .. .	5	23/- <sup>2</sup>	—	—
Women .. .. .	6	12/6—15/- <sup>2</sup>	—	—
Brighouse—				
Men .. .. .	7	—	—	—
Women .. .. .	8	—	—	—
Hours of Work per week .. .. .	9	52½	—	—
<b>Carpet Trade</b> —(Great Britain).				
All workpeople—Time workers .. .. .	10	—	—	—
Piece workers .. .. .	11	—	—	—
Hours of Work per week .. .. .	12	—	—	—
<b>Dyeing, Bleaching and Finishing Trades.</b>				
Lancashire, Cheshire and Derbyshire (calico trade)—				
Men .. .. .	13	28/- <sup>2</sup>	31/-	35/-
Women .. .. .	14	15/- <sup>2</sup>	—	19/7½
Scotland—				
Men .. .. .	15	27/- <sup>2</sup>	—	—
Women .. .. .	16	—	—	—
Yorkshire (cloth trade)—				
Men .. .. .	17	28/- <sup>2</sup>	—	—
Women .. .. .	18	—	—	—
Hours of Work per week—England .. .. .	19	55½	—	—
Scotland .. .. .	20	56½	—	—
<b>CLOTHING TRADES.</b>				
<b>Tailoring Trade</b> (England and Wales)—				
Journeyman Tailors (London) .. .. .	21	(7½d.) <sup>3</sup>	(7½d.)	(7½d.)
Ready-made and Wholesale Bespoke—				
Measure cutters (London) .. .. .	22	10d. <sup>4</sup>	10d.	10d.
Cutters and knifemen (London) .. .. .	23	10d. <sup>4</sup>	10d.	10d.
Measure cutters .. .. .	24	9½d. <sup>4</sup>	9½d.	9½d.
Knifemen and pressers-off .. .. .	25	8½d. <sup>4</sup>	8½d.	8½d.
Stock-cutters, fitters-up, Tailors and passers .. .. .	26	8½d. <sup>4</sup>	8½d.	8½d.
Men (unclassified)—22 yrs. and over .. .. .	27	6d. <sup>5</sup>	6d. <sup>5</sup>	6d. <sup>5</sup>
Women—18 yrs. and over .. .. .	28	3½d. <sup>5</sup>	3½d. <sup>5</sup>	3½d. <sup>5</sup>
Hours of Work per week .. .. .	29	48—50	—	—
<b>Boot and Shoe Trade</b> (England and Wales).				
Men—Clicking and other skilled departments .. .. .	30	30/- <sup>8</sup>	32/-	33/-
Heel building, stock and show-rooms .. .. .	31	27/-	29/-	30/-
Women—1st class operations .. .. .	32	18/-	—	—
2nd class operations .. .. .	33	17/-	—	—
Hours of Work per week—Men .. .. .	34	52½	—	—
Women .. .. .	35	53½	—	—
<b>Glove Trade—Leather Section</b> (Worcester, Yeovil and other centres).				
Men—Skilled .. .. .	36	30/- <sup>7</sup>	—	—
Semi-skilled .. .. .	37	—	—	—
Women .. .. .	38	—	—	—
Hours of Work per week—Men .. .. .	39	—	—	—
Women .. .. .	40	—	—	—

<sup>1</sup> Average piecework earnings.<sup>2</sup> Trade union standard time rates.<sup>3</sup> Rate per "log" hour, estimated roughly at thirty minutes' work.<sup>4</sup> Trade union standard rate per hour.

1917 (Dec.).	1918 (Dec.).	1919 (Dec.).	1920 (Dec.).	1921 (June).	Maximum advance on pre-war rates.	
+31% +31%	+54% +54%	% +10/- +75% +6/-	+125% +125% 48	+110% +100%	+125% +125% -9%	1 2 3
—	48/- 43/-	48/- 43/-	73/- 66/6	67/- 60/6	+161% +189%	4 5
—	26/- —27/6	26/- —27/6	40/6	36/-	+183%—140%	6
—	—	—	+175% +175% 52½	+135% +135%	—	7 8 9
—	—	—	+160% +170%	+110% +120%	+160% +170%	10 11 12
46/6 26/6½	58/1½ 33/10 57/1½ 30/10	64/3 39/7 63/3 36/7	77/7 47/6 76/7 44/6	68/3 41/11 67/3 38/11	+178% +198% +181%	13 14 15 16
—	—	—	91/5 53/9	78/1½ 45/11½	+226% —	17 18
—	—	48 48	—	—	-14% -15%	19 20
(8d.)	(10½d.)	(1/1)	(1/3)	(1/1½)	(+100%)	21
11d.+1½d. <sup>5</sup>	1/-+3d. <sup>6</sup>	1/-+3d. <sup>5</sup>	1/11½ <sup>5</sup>	2/2½ <sup>5</sup>	+162%	22
11d.+1½d. <sup>6</sup>	1/-+3d. <sup>6</sup>	1/-+3d. <sup>6</sup>	1/9½ <sup>5</sup>	2/0½ <sup>5</sup>	+142%	23
9½d.+1½d. <sup>6</sup>	9½d.+3d. <sup>6</sup>	1/5 <sup>5</sup>	1/9 <sup>5</sup>	2/- <sup>5</sup>	+153%	24
8½d.+1½d. <sup>6</sup>	8½d.+3d. <sup>6</sup>	1/5 <sup>5</sup>	1/7 <sup>5</sup>	1/10 <sup>5</sup>	+151%	25
8½d.+1½d. <sup>6</sup>	8½d.+3d. <sup>6</sup>	1/5 <sup>5</sup>	1/7 <sup>5</sup>	1/10 <sup>5</sup>	+167%	26
7-8d. <sup>5</sup> +1½d. <sup>6</sup>	8d. <sup>5</sup> +3d. <sup>6</sup>	1/1 <sup>5</sup>	1/2 <sup>5</sup>	1/4½ <sup>5</sup>	+171%	27
4-4½d. <sup>5</sup> +1d. <sup>6</sup>	5d. <sup>5</sup> +2d. <sup>6</sup>	8½d. <sup>5</sup>	9½d. <sup>5</sup>	10d. <sup>5</sup>	+208%	28
—	—	48	—	—	-0%—4%	29
40/-	55/-	56/-	68/-	68/-	+126%	30
37/-	52/-	53/-	65/-	65/-	+141%	31
—	26/-	30/-	40/-	40/-	+122%	32
—	25/-	30/-	40/-	40/-	+137%	33
—	—	48	—	—	-9%	34
—	—	48	—	—	-10%	35
—	—	60/-	60/-+22½%	60/-	+145%	36
—	—	48/-	48/-+22½%	48/-	—	37
—	—	36/-	36/-+22½%	36/-	—	38
—	—	47	—	—	—	29
—	—	44	—	—	—	40

<sup>5</sup> Trade Board general minimum rate. Piece-workers are entitled to a minimum basis time-rate, fixed at 1½d. per hour above the general minimum time-rate for men, and 1d. per hour above the general minimum time-rate for women.

<sup>6</sup> Committee on Production award.

<sup>7</sup> Estimated weekly time-rate.

<sup>8</sup> Trade union minimum time-rate.

			1914 (Dec.).	1915 (Dec.).	1916 (Dec.).
<b>TRANSPORT.</b>					
<b>Railways.</b>					
Manual Workers—All railwaymen ..	1	—	—	+5/-	+10/-
Goods Guards .. .. .	2	25/- —35/- <sup>1</sup>	—	—	—
Passenger Guards .. .. .	3	21/- —32/-	—	—	—
Shunters—London .. .. .	4	26/- —33/-	—	—	—
Industrial districts .. .. .	5	23/- —32/-	—	—	—
Rural districts .. .. .	6	20/- —28/-	—	—	—
Goods Porters—London .. .. .	7	20/- —24/-	—	—	—
Industrial districts .. .. .	8	19/- —23/-	—	—	—
Rural districts .. .. .	9	15/- —21/-	—	—	—
Passenger Porters—London .. .. .	10	16/- —17/-*	—	—	—
Industrial districts .. .. .	11	18/- —19/-	—	—	—
Rural districts .. .. .	12	20/-	—	—	—
Ticket Collectors—London .. .. .	13	22/- —29/-	—	—	—
Industrial districts .. .. .	14	20/- —26/-	—	—	—
Rural districts .. .. .	15	18/- —23/-	—	—	—
Goods Checkers—London .. .. .	16	24/- —30/-	—	—	—
Industrial districts .. .. .	17	21/- —30/-	—	—	—
Rural districts .. .. .	18	18/- —26/-	—	—	—
Plate-layers—London .. .. .	19	24/- —27/-	—	—	—
Industrial districts .. .. .	20	20/- —25/-	—	—	—
Rural districts .. .. .	21	18/- —20/-	—	—	—
Signalmen—London .. .. .	22	—	—	—	—
Industrial districts .. .. .	23	25/ <sup>3</sup>	—	—	—
Rural districts .. .. .	24	—	—	—	—
Drivers .. .. .	25	30/- —48/- <sup>4</sup>	—	—	—
Firemen .. .. .	26	18/- —30/- <sup>4</sup>	—	—	—
Hours of work per Week .. .. .	27	60	—	—	—
Clerks (over 18 years)—Class I. ..	28	£75—£200 <sup>5</sup> (average)	+5/- p.w.	+10/-	
Class II. .. .. .	29	£150—£175 (p.a.)	+5/- p.w.	+10/-	
Class III. .. .. .	30	£120—£150	+5/- p.w.	+10/-	
Class IV. .. .. .	31	£100—£120	+5/- p.w.	+10/-	
Class V. .. .. .	32	£40—£100	+5/- p.w.	+10/-	
Hours of Work .. .. .	33	48	—	—	—

<sup>1</sup> Time rates in operation on various railways.

<sup>2</sup> Uniform time-rates, inclusive of cost-of-living wage. The revised standard basic rates are given in brackets.

\* No account is taken of tips.

<sup>3</sup> Average earnings.

<sup>4</sup> No account is taken of mileage allowances.

1917 (Dec.).	1918 (Dec.).	1919 (Dec.).	1920 (Dec.).	1921 (June).	Maximum advance on pre-war rates.	
+21/-	+33/-	+38/-	—	—	—	1
—	—	—	72/- —82/6 <sup>2</sup> (50/- —65/-)	69/- —79/6	+188%—136%	2
—	—	—	72/- —82/6 (50/- —65/-)	69/- —79/6	+243%—158%	3
—	—	—	72/- —82/6 (50/- —65/-)	69/- —79/6	+177%—150%	4
—	—	—	72/- —82/6 (50/- —65/-)	69/- —79/6	+213%—158%	5
—	—	—	69/6 —76/- (50/- —55/-)	66/6 —73/-	+247%—171%	6
—	—	—	72/6 (47/-)	69/6	+262%—202%	7
—	—	—	71/6 (44/-)	68/6	+276%—211%	8
—	—	—	66/- (40/-)	63/-	+340%—214%	9
—	—	—	69/- —71/6 (40/- —46/-)	66/- —68/6	+331%—321%	10
—	—	—	67/- —71/6 (40/- —43/-)	64/- —68/6	+272%—276%	11
—	—	—	65/- —69/6 (40/- —43/-)	62/- —66/6	+225%—247%	12
—	—	—	73/- —78/- (54/- —58/-)	70/- —75/-	+232%—169%	13
—	—	—	73/- —78/- (54/- —58/-)	70/- —75/-	+265%—200%	14
—	—	—	70/6 —75/- (54/- —58/-)	67/6 —72/-	+292%—226%	15
—	—	—	78/6 (57/-)	75/6	+227%—162%	16
—	—	—	76/6 (54/-)	73/6	+265%—155%	17
—	—	—	71/6 (47/-)	68/6	+297%—175%	18
—	—	—	74/- —75/- (48/- —50/-)	71/- —72/-	+208%—178%	19
—	—	—	71/6 (44/-)	68/6	+258%—186%	20
—	—	—	67/- (40/-)	64/-	+272%—235%	21
—	—	—	78/- —81/- (65/- —70/-)	75/- —78/-	—	22
—	—	—	72/- —75/- (55/- —60/-)	69/- —72/-	—	23
—	—	—	67/- —69/- (46/- —50/-)	64/- —66/-	—	24
—	—	—	88/- —106/-	85/- —103/-	+193%—121%	25
—	—	—	70/- —88/-	67/- —83/-	+239%—193%	26
—	—	48	—	—	—20%	27
+21/-	+33/-	£320—£350 <sup>6</sup> +£25 <sup>7</sup>	£320/1350 +£35	£320—£350 +£20	+103%—92%	31
+21/-	+33/-	£270—£300 +£25	£270—£300 +£35	£270—£300 +£20	+103%—91%	32
+21/-	+33/-	£240—£260 +£25—£27 <sup>8</sup>	£240—£260 +£35—37	£240—£260 +£20—£22	+127%—98%	33
+21/-	+33/-	£210—£230 +£25	£210—230 +£35	£210—£230 +£20	+145%—121%	28
+21/-	+23/-	£80—£200 +£75 <sup>8</sup> —£25	£80—£200 +£25—35	£80—200 +£70—£20	+312%—135%	29
—	—	48	—	—	—	30

<sup>5</sup> London and North Western Railway.

<sup>6</sup> Revised basis salaries.

<sup>7</sup> Cost-of-living bonus.

<sup>8</sup> Including residue of war bonus.

			1914 (Dec.).	1915 (Dec.).	1916 (Dec.).
<b>TRANSPORT—continued.</b>					
<b>Road Transport.</b>					
Carters—London	1-horse ..	1	27/- <sup>1</sup>	30/-	31/8
	2-horse ..	2	31/-	34/-	35/8
	3-horse ..	3	24/-	37/-	38/8
	4-horse ..	4	38/-	41/-	42/8
Certain Lancashire towns—	1-horse ..	5	25/6	—	—
	2-horse ..	6	28/-	—	—
Certain Midland towns—	1-horse ..	7	24/-	—	—
	2-horse ..	8	—	—	—
Motor Drivers—London—					
Steam wagons (drivers)	.. ..	9	40/-	—	—
(mates)	.. ..	10	25/-	—	—
Motor Vans (over 2 tons)	.. ..	11	40/-	—	—
(15 cwt. to 2 tons)	.. ..	12	32/-	—	—
(under 15 cwt.)	.. ..	13	20/-	—	—
Tramway Workers—London—Drivers	.. ..	14	40/-	43/-	48/-
Conductors	.. ..	15	33/-	36/-	41/-
Large Towns—Drivers	.. ..	16	37/-	—	—
Conductors	.. ..	17	30/-	—	—
Small Towns—Drivers	.. ..	18	26/- — 30/-	—	—
Conductors	.. ..	19	20/- — 24/-	—	—
Hours of Work per week	.. ..	20	48—54	—	—
<b>Water Transport.</b>					
Dockers.—London—Port of London					
Authority	.. ..	21	5/8 <sup>2</sup>	5/9	6/8
Ocean and short sea ship work	.. ..	22	7/4—8-4 <sup>3</sup>	—	—
Large Ports—General cargo work	.. ..	23	4/6—5/- (Liverpool)	—	—
Timber, coal-hauling, etc.	.. ..	24	—	—	—
Small Ports—General cargo work	.. ..	25	—	—	—
Timber, coal-hauling, etc.	.. ..	26	—	—	—
Lightermen—London—General work	.. ..	27	6/-	6/8	7/4
Rough goods work	.. ..	28	48/- <sup>4</sup>	52/-	56/-
Watchman	.. ..	29	5/- 6/- <sup>3</sup>	—	—
River Tugs—Captain	.. ..	30	70/- <sup>4</sup>	—	—
Mate	.. ..	31	42/-	—	—
Driver	.. ..	32	47/6	—	—
Fireman	.. ..	33	34/-	—	—
Hours of Work per week	.. ..	34	—	—	—
<b>Merchant Shipping.</b>					
Able seamen, sailors, deck hands	.. ..	35	£5/10 <sup>7</sup>	£7—£7/10	£8/10
Ordinary seamen	.. ..	36	£2/15	£3/5	£3/15
Bosun	.. ..	37	£6/10—£7	£7/10—£9	£10
Chief Steward (cargo boats)	.. ..	38	£7/10—£9	£8—£9/10	£10/6—£11/18
Assistant steward (cargo boats)	.. ..	39	£4—£4/10	£6—£6/10	£7—£7/10
Hours of Work per week	.. ..	40	—	—	—
<b>AGRICULTURE.</b>					
<b>England and Wales—</b>					
Men—Ordinary workers—Highest county	.. ..	41	23/4 <sup>9</sup>	—	—
rate	.. ..		(N'thumberl'd)	—	—
Lowest county rate	.. ..	42	13/4	—	—
	.. ..		(Oxford)	—	—
Specially skilled workers—Highest					
county rate	.. ..	43	—	—	—
Lowest county rate	.. ..	44	—	—	—
Women—National rate	.. ..	45	—	—	15/-

<sup>1</sup> Weekly time-rates.

<sup>2</sup> Heavy costs.

<sup>3</sup> Standard rate per day.

<sup>4</sup> Time-rates in general operation.

<sup>5</sup> National minimum wage.

1917 (Dec.).	1918 (Dec.).	1919 (Dec.).	1920 (Dec.).	1921 (June).	Maximum advance on pre-war rates.	
42/-	57/-	61/-	70/- <sup>2</sup>	66/-	+159%	1
46/-	61/-	65/-	74/-	70/-	+139%	2
49/-	64/-	68/-	77/-	73/-	+126%	3
53/-	68/-	72/-	81/-	77/-	+113%	4
—	—	59/-	70/-	66/-	+175%	5
—	—	64/-	73/-	69/-	+161%	6
—	—	—	67/-	64/-	+179%	7
—	—	—	70/-	67/-	—	8
—	—	74/-	83/-	79/-	+107%	9
—	—	59/-	68/-	64/-	+172%	10
—	—	54/-	83/-	79/-	+107%	11
—	—	66/-	75/-	71/-	+134%	12
—	—	74/-	63/-	59/-	+215%	13
55/-	70/-	75/-	80/-	—	+100%	14
48/-	63/-	68/-	73/-	—	+121%	15
—	—	72/-	77/-	—	+108%	16
—	—	65/-	70/-	—	+133%	17
—	—	59/-	64/-	—	+169%—133%	18
—	—	—	48	—	+220%—167%	19
—	—	—	—	—	—0%—11%	20
8/3	9/8	11/8	16/- <sup>5</sup>	16/-	+205%	21
—	—	12/8—14/-	17/6—20/6 <sup>6</sup>	17/8—20/6 <sup>6</sup>	+139%—146%	22
—	—	11/8—12/2	16/-	16/-	+256%—220%	23
—	—	—	17/-—19/8	17/-—19/8	—	24
—	—	—	15/- <sup>5</sup>	15/-	—	25
—	—	—	16/- <sup>5</sup>	16/-	—	26
7/4	11/4	11/4	16/- <sup>5</sup>	16/-	+167%	27
74/-	80/-	12/8 nightwork	17/9 nightwork	—	+125%	28
—	—	80/-	108/-	—	+220%—+167%	29
—	—	10/4	16/-	—	—	30
—	—	11/8 nightwork	17/9 nightwork	—	+107%	31
—	—	117/6	145/-	—	+169%	32
—	—	85/-	113/-	—	+122%	33
—	—	77/-	105/6	—	+176%	34
—	—	64/-	96/-	—	—	35
—	—	—	44—46	—	—	36
£11	£14/10	£14/10	£14/10	£12	+164%	37
£3/15	£3/10 <sup>8</sup> —£10	£8/10—£10	£8/10—£10	£7/5—£8/15	+209%—264%	38
£12	£16	£16	£16	£13/10	+146%—128%	39
£11/5—£13/15	£21—£23	£21—£23	£24—£26	£21/10—£23/10	+220%—189%	40
£10—£10/10	£13	£13	£13	£10/10	+225%—189%	41
—	—	—	—	—	—	42
—	36/-	42/6	50/6 <sup>10</sup>	50/6	+116%	43
25/- <sup>10</sup>	30/- (16 counties)	36/6 (35 counties)	46/-	46/-	+245%	44
—	40/-	50/-	64/-	64/-	—	45
—	36/-	42/6	52/6	52/6	—	46
18/-	5d. & 6d. per hr.	5d. & 6d.	7d.	8d.	—	47

<sup>6</sup> Special rates for timber work.

<sup>7</sup> Monthly rate. Food is provided in addition.

<sup>8</sup> Ordinary seamen with less than twenty-four months' sea service.

<sup>9</sup> Weekly earnings, including cash allowances (*Labour Gazette* figures)

<sup>10</sup> Minimum time-rates under the Corn Production Act.

		1914 (Dec.).	1915 (Dec.).	1916 (Dec.).
<b>AGRICULTURE—continued.</b>				
<b>Scotland—</b>				
Men—Ordinary workers—				
Highest county rate ..	1	—	—	—
Lowest county rate ..	2	—	—	—
Specially skilled workers—				
Highest county rate ..	3	—	—	—
Lowest county rate ..	4	—	—	—
Women—				
Highest county rate ..	5	—	—	—
Lowest county rate ..	6	—	—	—
Hours of work per week—				
England and Wales—				
Men—Ordinary workers ..	7	60—65	—	—
Specially skilled workers ..	8	—	—	—
Women .. .. .	9	—	—	—
Scotland— .. .. .	10	—	—	—
<b>PRINTING TRADES.</b>				
Correctors of the press—London ..	11	44/- <sup>1</sup>	46/-	49/-
Compositors—London .. .. .	12	39/-	42/-	45/-
Grade I. towns .. .. .	13	38/-	—	—
Grade VI. towns .. .. .	14	(Liverpool) 25/- (Folkestone)	—	—
Linotype and monotype operators—				
London .. .. .	15	44/-	—	—
Grade I. towns .. .. .	16	—	—	—
Grade VI. towns .. .. .	17	—	—	—
Lithographic printers—				
London .. .. .	18	40/-	—	—
Grade I. towns .. .. .	19	36/6 (Liverpool)	—	—
Grade III. towns (highest grade) .. .. .	20	33/- (Exeter)	—	—
Assistants, warehousemen and cutters—				
London .. .. .	21	—	27/- —30/-	—
Grade I. towns .. .. .	22	—	—	—
Grade V. towns (highest grade) .. .. .	23	—	—	—
Women—				
London .. .. .	24	17/-	—	—
Grade I. towns .. .. .	25	—	—	—
Grade VI. towns .. .. .	26	—	—	—
Hours of Work per week .. .. .	27	49—51	—	—
<b>FURNISHING TRADES.</b>				
Men—London—Cabinet-maker ..	28	11½d. <sup>2</sup>	11½d.	1/1
Machine-men .. .. .	29	—	—	—
French polishers .. .. .	30	9d.	—	—
Upholsters .. .. .	31	10d.—1/-	—	—
Manchester— (all above) ..	32	8½d.—10d.	—	—
Birmingham— (all above) ..	33	8d.—8½d.	—	—
Glasgow— (all above) ..	34	7d.—10d.	—	—
Women—London— French polishers ..	35	—	—	—
Upholstresses .. .. .	36	—	—	—
Birmingham— (all above) ..	37	—	—	—
Hours of Work per week .. .. .	38	48—54	—	—
<b>PACKING-CASE TRADE.</b>				
London—Packing-case-makers, sawyers and coopers ..	39	—	—	—
Manchester— do. .. .. .	40	—	—	—
Birmingham— do. .. .. .	41	—	—	—
Glasgow— do. .. .. .	42	—	—	—
Hours of Work per week .. .. .	43	—	—	—

<sup>1</sup> Trade union standard time-rates.



1917 (Dec.).	1918 (Dec.).	1919 (Dec.).	1920 (Dec.).	1921 (June).	Maximum advance on pre-war rates.	
—	—	38/-	41/-	41/-	—	1
25/-	—	30/-	30/-	30/-	—	2
—	—	42/-	50/-	50/-	—	3
—	—	31/-	31/-	31/-	—	4
—	—	—	30/-	30/-	—	5
—	—	—	18/-	18/-	—	6
—	—	48-54	—	—	-20%—17%	7
—	—	48-63	—	—	—	8
—	—	48-50	—	—	—	9
—	—	52-60	—	—	—	10
57/-	76/6	89/-	104/-	104/-	+137%	11
58/-	72/6	85/-	100/-	100/-	+156%	12
—	70/-	81/-	97/6	97/6	+156%	13
—	58/-	66/-	82/6	82/6	+230%	14
—	—	90/-	105/-	105/-	+139%	15
—	—	89/6	106/-	106/-	—	16
—	—	72/-	88/6	88/6	—	17
—	—	85/-	100/-	100/-	+150%	18
—	—	80/-	95/-	95/-	+160%	19
—	—	75/6	92/-	92/-	+179%	20
—	—	78/6	93/6	93/6	+228%	21
—	—	78/-	94/6	94/6	—	22
—	—	63/-	79/6	79/6	—	23
—	—	45/6	49/-	49/-	+26%	24
—	—	36/6	43/-	43/-	—	25
—	—	30/6	37/-	37/-	—	26
—	—	48	—	—	-2%—6%	27
1/3	1/7½	2/-	2/4	2/2	+143%	28
—	—	2/1	2/4½	2/2	—	29
—	—	2/-	2/4	2/1½	+195%	30
—	—	2/-	2/4	2/2	+180%—133%	31
—	—	1/11	2/4	—	+229%—180%	32
—	—	1/9	2/2	—	+225%—206%	33
—	—	1/8½—1/11	2/-	—	+243%—140%	34
—	—	—	1/5	1/3½	—	35
—	—	—	1/2½	1/1½	—	36
—	—	—	1/1	—	—	37
—	—	44-47	—	—	-8%—13%	38
—	—	1/10—1/11	2/-—2/2	1/10½—2/0½	—	39
—	—	1/10—1/11	2/2	—	—	40
—	—	1/9	2/2	—	—	41
—	—	1/8½—1/10	2/-	—	—	42
—	—	47	—	—	—	43

\* Trade union rate per hour.

		1914 (Dec.).	1915 (Dec.).	1916 (Dec.).
<b>POTTERY TRADES</b> (Chief manufacturing centres in Great Britain)—				
All workpeople .. .. .	1	—	+7½%	+16½%
Men—				
Saucer-makers .. .. .	2	33/9 <sup>1</sup>	—	—
Sagger-makers .. .. .	3	32/11	—	—
Placers (glose) .. .. .	4	36/8 <sup>1</sup>	—	—
Labourers .. .. .	5	18/-—30/- <sup>1</sup>	—	—
Women—				
Saucer-makers .. .. .	6	16/11 <sup>1</sup>	—	—
Electrical fitters .. .. .	7	10/-—12/6 <sup>1</sup>	—	—
Warehousewomen .. .. .	8	9/- <sup>1</sup>	—	—
Hours of Work per week .. .. .	9	51½	—	—
<b>CHEMICAL TRADES.</b>				
<b>Soap and Candle Manufacture (Gt. Britain)</b>				
Men—				
Great industrial centres .. .. .	10	—	—	—
Other centres .. .. .	11	—	—	—
Women—				
Great industrial centres .. .. .	12	—	—	—
Other centres .. .. .	13	—	—	—
Hours of Work per week .. .. .	14	—	—	—
<b>FOOD TRADES.</b>				
<b>Bread-Baking.</b>				
London—				
Forehands .. .. .	15	38/-—42/- <sup>5</sup>	41/-—45/-	42/-—46/-
Single and second hands .. .. .	16	32/-—36/-	35/-—39/-	36/-—40/-
Tablehands .. .. .	17	30/-	33/-	34/-
Manchester—				
Forehands .. .. .	18	38/-	—	—
Single and second hands .. .. .	19	35/-	—	—
Tablehands .. .. .	20	33/-	—	—
Birmingham—				
Forehands .. .. .	21	34/-	—	—
Single and second hands .. .. .	22	30/-	—	—
Tablehands .. .. .	23	26/-—28/-	—	—
Glasgow—				
Adult male workers .. .. .	24	36/-	—	—
Hours of Work per week .. .. .	25	48—54	—	—
<b>Sugar Confectionery and Fruit Preserving.</b>				
Men .. .. .	26	—	26/- <sup>6</sup>	28/2 <sup>6</sup>
Women .. .. .	27	11/-, 12/- <sup>5</sup>	13/- <sup>6</sup>	14/1 <sup>6</sup>
<b>Cocoa and Chocolate-making.</b>				
Men .. .. .	28	—	26/- <sup>6</sup>	28/2 <sup>6</sup>
Women .. .. .	29	11/-, 12/- <sup>5</sup>	13/- <sup>6</sup>	14/1 <sup>6</sup>
Hours of Work per week .. .. .	30	52	—	—
<b>TOBACCO TRADES—</b>				
Cigar-makers—Men—				
London .. .. .	31	30/-—45/- <sup>3</sup>	—	—
Provinces .. .. .	32	—	—	—
Women—London .. .. .	33	18/-—35/- <sup>3</sup>	—	—
Provinces .. .. .	34	—	—	—
General workers—Men .. .. .	35	25/- <sup>3</sup>	—	—
Women .. .. .	36	10/-—14/- <sup>3</sup>	—	—
Hours of Work per week .. .. .	37	45—50	—	—
<b>DISTRIBUTIVE TRADES.</b>				
<b>Co-operative Societies.</b>				
London division—Men—Managers .. .. .	38	30/- <sup>3</sup>	35/-	38/-
Shop assistants (21-23 yrs.) .. .. .	39	24/-—30/- <sup>3</sup>	30/-—35/-	31/-—38/-
Women—Manageresses .. .. .	40	21/-	26/-	28/6
Shop assistants (21-23 yrs.) .. .. .	41	17/-	20/-	26/-
North-Western division—Men—Managers .. .. .	42	30/-	—	—
Shop assistants .. .. .	43	24/-—30/-	—	—
Women—Manageresses .. .. .	44	21/-	—	—
Shop assistants .. .. .	45	17/-	—	—

<sup>1</sup> Estimated weekly earnings in the North Staffordshire district.<sup>2</sup> Revised basic rates.<sup>3</sup> Trade union minimum time-rates.<sup>4</sup> Minimum time-rates.<sup>5</sup> Trade union standard time-rates.<sup>6</sup> Trade Board minimum time-rates. The minimum piece-work basis time-rates fixed by the Board amount to 10/- per week extra for men, and 6/- per week extra for women.

1917 (Dec.).	1918 (Dec.).	1919 (Dec.).	1920 (Dec.).	1921 (June).	Maximum advance on pre-war rates.	
+29½%	+60%	+80%	+108½%	+108½%	+108½%	1
—	—	(6/8 per day) <sup>2</sup>	—	—	—	4
—	—	(6/8 per day)	—	—	—	5
—	—	—	60/- <sup>3</sup>	60/-	—	6
—	—	27/6	33/-—37/6 <sup>3</sup>	33/-—37/6	—	7
—	—	26/4	33/4 <sup>2</sup>	33/4	—	8
—	—	47	—	—	-9%	9
—	—	63/- <sup>4</sup>	75/-	69/-	—	10
—	—	61/-	73/-	67/-	—	11
—	—	36/-	43/6	39/6	—	12
—	—	32/6	40/-	36/-	—	13
—	—	—	48	—	—	14
49/-—53/-	68/-—72/-	73/-—77/-	88/-—92/-	78/-	+132%—119%	15
43/-—47/-	62/-—66/-	67/-—71/-	82/-—86/-	72/-—74/-	+156%—139%	16
41/-	60/-	65/-	80/-	70/-	+167%	17
—	—	70/-	91/-	91/-	+139%	18
—	—	67/-	88/-	88/-	+151%	19
—	—	65/-	86/-	86/-	+161%	20
—	—	70/-—74/-	81/-—84/-	81/-—84/-	+138%—147%	21
—	—	68/-—71/-	78/-—81/-	78/-—81/-	+160%—170%	22
—	—	65/-	75/-	75/-	+188%—167%	23
—	—	90/-	97/-	90/-	+171%	24
—	—	44—48	—	—	-8—17%	25
34/8 <sup>6</sup>	38/- <sup>6</sup>	44/- <sup>6</sup> 52/- <sup>7</sup>	58/- <sup>6</sup> 59/6 <sup>7</sup>	58/- <sup>6</sup> 59/6 <sup>7</sup>	+123%—129%	26
19/6 <sup>6</sup>	21/8 <sup>6</sup>	26/- <sup>6</sup> 29/- <sup>7</sup>	34/- <sup>6</sup> 35/- <sup>7</sup>	34/- <sup>6</sup> 36/- <sup>7</sup>	+209%—192%	27
34/8 <sup>6</sup>	38/- <sup>6</sup>	44/- <sup>6</sup> 62/6 <sup>7</sup>	58/- <sup>6</sup> 72/6 <sup>7</sup>	58/- <sup>6</sup> 67/6 <sup>7</sup>	—	28
19/6 <sup>6</sup>	21/8 <sup>6</sup>	26/- <sup>6</sup> 36/- <sup>7</sup>	34/- <sup>6</sup> 42/- <sup>7</sup>	34/- <sup>6</sup> 39/- <sup>7</sup>	+209%—183%	29
—	48	47	—	—	-9%	30
—	+50%	+83½%	+98½%	+98½%	+98½%	31
—	+60%	+95%	+110%	+110%	+110%	32
—	+60—75%	+112½%	+127½%	+127½%	+127½%	33
—	+60%	+107½%	+122½—130%	+122½—130%	+122½—130%	34
—	53/- <sup>10</sup>	55/- <sup>10</sup>	61/6 <sup>10</sup>	61/6 <sup>10</sup>	+146%	35
—	24/-—27/4 <sup>10</sup>	35/- <sup>10</sup>	38/6 <sup>10</sup>	38/6 <sup>10</sup>	+285%—168%	36
—	—	48	—	—	-0%—4%	37
42/-	52/-	65/-	100/-	100/-	—	38
35/-—42/-	46/-—52/- <sup>2</sup>	60/-—85/-	65/-—70/-	65/-—70/-	+171%—133%	39
30/-	33/-	50/-	100/-	100/-	+376%	40
28/-	34/-	45/-—50/-	52/6—55/-	52/6—55/-	+209%—224%	41
—	52/6	75/-	87/-	87/-	+190%	42
—	46/6—52/6	60/-—87/6	72/-—80/-	72/-—80/-	+200%—167%	43
—	43/6	50/-	58/-	58/-	+176%	44
—	39/6	44/-	50/-	50/-	+194%	45
—	(Yorks)	—	—	—	—	—

<sup>7</sup> Trade union standard time-rates, pieceworkers to receive corresponding additions to those under the Trade Boards Act.

<sup>8</sup> Estimated piece-work earnings.

<sup>9</sup> Time-rates paid by certain London firms.

<sup>10</sup> Trade Board minimum time-rates.

		1914 (Dec.). <sup>1</sup>	1915 (Dec.).	1916 (Dec.).
<b>DISTRIBUTIVE TRADES—continued.</b>				
<b>Co-operative Societies—continued.</b>				
Western division—Men—Managers ..	1	30/-	—	—
Shop assistants ..	2	24/- —28/-	—	—
Women—Manageresses ..	3	21/-	—	—
Shop assistants ..	4	17/-	—	—
Hours of work per Week ..	5	48—52	—	—
<b>Commercial Firms.</b>				
London (some "union" firms)—				
Men—Managers ..	6	—	—	—
Shop assistants (21-23 yrs.) ..	7	30/-	—	—
Women—Manageresses ..	8	—	—	—
Shop assistants (21-26 yrs.) ..	9	—	—	—
Manchester (grocery firms)—				
Men—Managers ..	10	—	—	—
Shop assistants ..	11	24/-	—	—
Women—Manageresses ..	12	—	—	—
Shop assistants ..	13	—	—	—
Plymouth (certain grocery firms)—				
Men—Managers ..	14	—	—	—
Shop assistants ..	15	—	—	—
Women—Manageresses ..	16	—	—	—
Shop assistants ..	17	—	—	—
Hours of Work per week ..	18	—	—	—
<b>Milk Distributive Trade.</b>				
England and Wales—				
London—				
Men— Clerks (over 21 yrs.) ..	19	—	—	—
Shop assistants ..	20	—	—	—
Women— Clerks ..	21	—	—	—
Shop assistants ..	22	—	—	—
Provincial Towns—				
Men— Clerks ..	23	—	—	—
Shop assistants ..	24	—	—	—
Women— Clerks ..	25	—	—	—
Shop assistants ..	26	—	—	—
Rural districts—				
Men— Clerks ..	27	—	—	—
Shop assistants ..	28	—	—	—
Women— Clerks ..	29	—	—	—
Shop assistants ..	30	—	—	—
Hours of Work per week ..	31	—	—	—
<b>CIVIL SERVICE.</b>				
All Civil Servants (Permanent staff)				
Men—Basis salaries 15/- to 30/- ..	32	—	—	+4/-
30/- to 40/- ..	33	—	—	+4/-
40/- to 60/- ..	34	—	—	+3/-
£156/10 to £226 p.a. ...	35	—	—	—
Women— " 15/- to 30/- ..	36	—	—	+2/-
30/- to 40/- ..	37	—	—	+2/-
40/- to 60/- ..	38	—	—	+1/6
£156/10 to £226 p.a. ...	39	—	—	—
Hours of Work .. ..	40	—	—	—
<b>Post Office Workers.</b>				
Men sorters, telegraphists, clerks				
London (Inner). (18-35 yrs.) ..	41	20/- —65/-	23/- —65/-	24/- —65/-
Provinces—Class I. (18-35 yrs.) ..	42	16/- —58/-	—	—
" " III. (18-32 yrs.) ..	43	15/- —46/-	—	—
Postmen—				
London (Inner) (18-32 yrs.) ..	44	22/- —43/-	45/-	46/-
Provinces—Class I. (18-31 yrs.) ..	45	18/- —37/-	—	—
" " III. (18-31 yrs.) ..	46	16/- —31/-	—	—

<sup>1</sup> Trade Board minimum time-rates.

<sup>2</sup> The figures include the war bonus of 130-40%, plus 5/26 in November, 1920, and plus 7/26 in March, 1921. (See pages 82-83).

1917 (Dec.).	1918 (Dec.).	1919 (Dec.).	1920 (Dec.).	1921 (June).	Maximum advance on pre-war rates.	
—	—	—	65/-	65/-	+117%	1
—	—	—	60/-—65/-	60/-—65/-	+150%—132%	2
—	—	—	55/-	55/-	+161%	3
—	—	44—48	40/-—42/6	40/-—42/6	+135%—150%	4
—	—	—	—	—	-8%—9%	5
—	—	80/-	90/-	90/-	—	6
—	—	45/-—66/-	65/-—80/-	65/-—80/-	+117%—167%	7
—	—	80/-	90/-	90/-	—	8
—	—	36/-—53/-	52/-—64/-	52/-—64/-	—	9
—	—	—	80/-	80/-	—	10
—	—	—	60/-—72/6	60/-—72/6	+150%—202%	11
—	—	—	37/-—49/-	37/-—49/-	—	12
—	—	—	—	—	—	13
—	—	—	72/-	72/-	—	14
—	—	—	36/-—55/-	36/-—55/-	—	15
—	—	—	72/-	72/-	—	16
—	—	—	28/6—43/6	28/6—43/6	—	17
—	—	48	—	—	—	18
—	—	—	70/- <sup>1</sup>	70/-	—	19
—	—	—	65/-	65/-	—	20
—	—	—	48/-	48/-	—	21
—	—	—	42/-	42/-	—	22
—	—	—	67/-	67/-	—	23
—	—	—	62/-	62/-	—	24
—	—	—	45/-	45/-	—	25
—	—	—	40/-	40/-	—	26
—	—	—	60/-	60/-	—	27
—	—	—	55/-	55/-	—	28
—	—	—	38/-	38/-	—	29
—	—	—	33/-	33/-	—	30
—	—	—	48	—	—	31
+14/-	+23/-	+24/-+30%	38/3—76/6 <sup>2</sup>	39/9—79/6	+165%	32
+14/-	+23/-	+24/-+30%	76/6—97/9	79/6—101/6	+165%—154%	33
+13/-	+23/-	+24/-—30%	97/9—132/1	101/6—136/9	+154%—128%	34
+£34	+£80	+£60+30%	£344/12—£459/3	£356/10—£474/4	+128%—110%	35
+9/-	+15/-	+15/-+30%	38/3—76/6	39/9—79/6	+165%	36
+9/-	+15/-	+15/-+30%	76/6—97/9	79/6—101/6	+165%—154%	37
+8/6	+15/-	+15/-+30%	97/9—132/1	101/6—136/9	+154%—128%	38
+£22/6	+£40	+£40+30%	£344/12—£459/3	£356/10—£474/4	+128%—110%	39
—	—	—	—	—	—	40
78/1	88/1	107/1	61/2—145/- <sup>3</sup>	63/7—150/-	+128%—131%	41
—	—	—	56/1—133/10	57/3—138/6	+258%—139%	42
—	—	—	51/-—113/3	53/-—117/4	+258%—155%	43
56/-	66/-	79/11	56/1—108/1	57/3—112/1	+160%—161%	44
—	—	—	51/-—97/9 <sup>1</sup>	53/-—101/6	+183%—174%	45
—	—	—	45/10 <sup>1</sup> —86/8	47/8—90/1	+198%—191%	46

<sup>3</sup> The figures include the war bonus, together with special rate increases of 3/6 for men and 2/6 for women.

		1914 (Dec.).	1915 (Dec.).	1916 (Dec.).
<b>CIVIL SERVICE—continued.</b>				
<b>Post Office Workers—continued.</b>				
Women—Sorters, telegraphists and clerks				
London (Inner) (18-32 yrs.)..	1	18/- —40/-	41/6	42/-
Provinces—Class I. (18-30 yrs.)..	2	15/- —36/-	—	—
" " III. (18-28 yrs.)..	3	14/- —30/-	—	—
Telephonists—				
London (Inner) (18-28 yrs.)..	4	16/- —28/-	29/6	30/-
Provinces—Class I. (18-27 yrs.)..	5	14/- —26/-	—	—
" " III. (18-25 yrs.)..	6	13/6 —22/-	—	—
Hours of Work .. .. .	7	—	—	—
<b>PUBLIC UTILITY SERVICES.</b>				
<b>Municipal Service—London</b>				
Manual workers (non-trading):				
Grade A., messengers, attendants, lamplighters, street sweepers, etc. . . . .	8	30/- <sup>2</sup>	—	—
Grade B., dustmen, carmen, drain flushers, grave-diggers, etc. . .	9	32/-	—	—
Grade C., tar sprayers, asphalters, gardeners, scavenging gangers, etc.	10	34/-	—	—
Grade D., clinker foremen, sewermen, time-keepers, etc. . . . .	11	36/-	—	—
Grade E., sewer gangers, motor mechanics, etc. . . . .	12	38/-	—	—
Grade F., wharf-keepers, horse-keepers, foremen sewermen, etc. . . .	13	40/-	—	—
Hours of Work per week .. .. .	14	48	—	—
<b>Electricity Supply Undertakings—London</b>				
Switchboard attendant .. .. .	15	—	—	+7/-
Assistant switchboard attendant ..	16	—	—	+7/-
Journeyman fitter .. .. .	17	—	—	+7/-
Fitter's mate .. .. .	18	—	—	+7/-
Labourer.. .. .	19	—	—	+7/-
Hours of Work per week .. .. .	20	—	—	—
<b>Gas Works—London—</b>				
Stoker (ordinary) .. .. .	21	39/- <sup>5</sup>	—	—
Labourer.. .. .	22	24/-	—	—
Hours of Work per week .. .. .	23	48	—	—

<sup>1</sup> Including special increase of 3/-.

<sup>2</sup> Trade union minimum time-rates in operation in most boroughs.

<sup>3</sup> The scale relates to the administrative County of London, exclusive of the boroughs of Kensington and Westminster.

1917 (Dec.).	1918 (Dec.).	1919 (Dec.).	1920 (Dec.).	1921 (June).	Maximum advance on pre-war rates.	
49/-	55/-	67/- <sup>2</sup>	61/2—106/4 <sup>1</sup>	63/7—110/4	+253%—176%	1
—	—	—	56/1—97/9 <sup>1</sup>	57/3—101/6	+282%—182%	2
—	—	—	51/-—86/8	53/-—90/1	+278%—200%	3
37/-	46/- <sup>1</sup>	54/4 <sup>1</sup>	45/10 <sup>1</sup> —90/11 <sup>1</sup>	47/8—94/4	+198%—237%	4
—	—	—	40/9 <sup>1</sup> —84/11 <sup>1</sup>	42/4—87/5	+202%—236%	5
—	—	—	35/8—73/11	37/1—76/10	+175%—249%	6
—	—	—	—	—	—	7
—	—	—	84/9, 85/-*	79/6, 79/9	+182%—183%	8
—	—	—	88/5	83/2	+177%	9
—	—	+25/-—35/-	92/2	86/8	+171%	10
—	—	—	95/6, 95/10	89/9, 90/1	+165%—166%	11
—	—	—	99/6, 99/7	93/6, 93/7	+162%	12
—	—	—	103/-	97/-	+157%	13
—	—	—	47	—	-2%	14
20/-+12 $\frac{1}{2}$ %	+28/6+12 $\frac{1}{2}$ %	+33/6+12 $\frac{1}{2}$ %	2/3 <sup>1</sup> —2/7 <sup>1</sup> <sup>4</sup>	2/1—2/6 <sup>1</sup>	—	15
+20/-+12 $\frac{1}{2}$ %	+28/6+12 $\frac{1}{2}$ %	+33/6+12 $\frac{1}{2}$ %	1/10 <sup>1</sup> —2/10 <sup>1</sup>	1/9—1/10 <sup>1</sup>	—	16
+20/-+12 $\frac{1}{2}$ %	+28/6+12 $\frac{1}{2}$ %	+33/6+12 $\frac{1}{2}$ %	2/5 <sup>1</sup>	2/1 <sup>1</sup>	—	17
+20/-+12 $\frac{1}{2}$ %	+28/6+12 $\frac{1}{2}$ %	+33/6+12 $\frac{1}{2}$ %	1/11 <sup>1</sup>	1/9 <sup>1</sup>	—	18
+20/-+12 $\frac{1}{2}$ %	+28/6+12 $\frac{1}{2}$ %	+33/6+12 $\frac{1}{2}$ %	1/10 <sup>1</sup>	1/9 <sup>1</sup>	—	19
—	—	—	47	—	—	20
—	—	—	88/3	—	+126%	21
—	—	—	73/4	—	+206%	22
—	—	—	47—48	—	-2%—0%	23

<sup>4</sup> Trade union rate per hour.<sup>5</sup> Time-rates in general operation at the end of 1913.

TABLE II.—PERCENTAGE ADVANCES FOR REPRESENTATIVE

		Pre-war Rate of Wages.
Building Trades (London)—Bricklayer .. .. .	1	11½d. per hour.
Mines (South Wales)—Coal-getter (piece-work) .. .. .	2	9/4 per shift.
Metal Trades—Engineering (London)—Fitter .. .. .	3	40/- per week.
Siemens Steel (South Wales) .. .. .	4	40/- per week.
Textile Trades—Cotton (Northern counties)—All workpeople (piecework) ..	5	—
Wool (Yorks and Lancs.)—All male workpeople (piecework) ..	6	—
Hosiery (Leicester)—All male workpeople (piecework) ..	7	—
Dyeing, etc. (Lancs. and Cheshire)—Calico worker ..	8	28/- per week.
Clothing Trades—Tailoring (London)—Cutter (wholesale) .. .. .	9	10d. per hour.
Boot and Shoe (Leicester)—Clicker .. .. .	10	30/- per week
Transport—Railways (London)—Goods porter .. .. .	11	23/- per week. <sup>1</sup>
Road (London)—Carter (2-horse) .. .. .	12	31/- per week.
Waterside (London)—Dock labourer .. .. .	13	5/3 per day.
Merchant Shipping—Able seaman .. .. .	14	£5/10 per month.
Agriculture (England and Wales)—Agricultural labourer .. .. .	15	16/10 <sup>4</sup> per week.
Printing Trades (London)—Compositor .. .. .	16	39/- per week.
Furnishing Trades (London)—Cabinet-maker .. .. .	17	11½d. per hour.
Pottery Trades (North Staffs.)—All workpeople (piecework) .. .. .	18	—
Food Trades—Bread-baking (London)—Single and second hands .. .. .	19	32/- per week.
Tobacco Trades—Cigar-making (London)—Cigar-maker (piecework) .. .. .	20	—
Distribution—Co-operative Societies (London)—Shop assistant .. .. .	21	30/- per week.
Civil Service—Post Office (London)—Postman .. .. .	22	43/- per week.
Public Utility Services—Municipal "non-trading" service (London)— Dustman .. .. .	23	32/- per week.

<sup>1</sup> Mean rate.<sup>2</sup> Taking into account the reduction of hours from 50 to 44 per week (see Note to Table II., page 84).



## CLASSES OF WORKERS IN VARIOUS INDUSTRIES, 1914—1920.

Percentage advance at the end of each year.							
1914.	1915.	1916.	1917.	1918.	1919.	1920.	
0	9	33	66	104	113	126 <sup>2</sup>	1
0	32	68	84	100	121	176	2
7	17	25	77	101	115	133	3
0	15	27	67	85	130	180	4
0	0	5	35	110	121 <sup>3</sup>	182 <sup>3</sup>	5
0	7	25	48	84	135	181	6
0	8	19	31	54	100	125	7
0	11	25	66	108	129	177	8
0	0	0	25	50	50	112	9
0	7	10	33	83	87	93	10
0	21	43	91	143	165	215	11
0	10	15	48	97	110	139	12
0	10	19	57	84	119	205	13
0	32 <sup>1</sup>	55	100	164	164	164	14
—	—	—	40	89	126	177	15
0	8	15	36	87	118	156	16
0 <sup>4</sup>	0	13	30	56	102 <sup>5</sup>	134 <sup>5</sup>	17
0	7	16	29	60	80	108	18
0	9	12	34	94	109	156	19
—	—	—	—	50	83	98	20
0	16	26	40	58	116	133	21
0	5	7	30	56	89	151	22
—	—	—	—	—	94 <sup>1</sup>	176	23

<sup>3</sup> Taking into account the reduction of hours from 55½ to 48 per week.<sup>4</sup> Average weekly wage (*Labour Gazette* figures).<sup>5</sup> Taking into account the reduction of hours from 50 to 47 per week.

## NOTE TO APPENDIX I.

### TABLE I.

The following text is intended to be read in conjunction with the figures given in the table.

#### BUILDING INDUSTRY.

Wages in the building trades were negotiated before the war between the local builders' associations and the building operatives' trade unions, and hourly rates had been fixed in 1914 for the various classes of workmen, including labourers, in a great number of towns. It was subsequently agreed to set up eight joint Area Councils covering the greater part of England and Wales. The towns coming under the agreement are now grouped in each area into four grades, and hourly rates are fixed for each grade. London remains outside the settlement, so does Scotland and so do some twenty-four minor towns in England and Wales. The general effect of war advances has been to level up wages, and to establish so far as possible a national standard. There is roughly a difference of 4d. an hour between the rates in northern, western, and Midland areas, and corresponding rates in eastern and southern areas, and about the same difference between the rates in Grade A towns and corresponding rates in Grade C and D towns. The lowest rates paid in any grade at the end of 1920 were 1s. 10d. for bricklayers and 1s. 7d. for labourers. But, in nearly every case, the advance on pre-war rates shows not merely a higher percentage but a greater money amount in provincial towns than in London, in small towns than in large towns, and for labourers than for tradesmen. Hours of work were reduced from between  $46\frac{1}{2}$  and  $56\frac{1}{2}$  per week (summer time) to 44 at the end of 1920, and there is a consequent loss of earnings in a normal week which may be estimated at from about 5 per cent. to about 22 per cent. for different classes of workmen in various districts. In London, where there was a summertime week of 50 hours in 1914, the advance of 143 per cent. on hourly rates may be said to represent an increase of 126 per cent. in the weekly wage. An all-round reduction of 2d. per hour took place in May, 1921, and a further reduction of 1d. per hour for labourers operated in the following July.

#### MINES.

Before the war wages in the coal industry were adjusted by means of district boards set up under the Conciliation Agreement of 1910, and under the Coal Mines Minimum Wage Act, 1912. This Act provides that a minimum wage shall be fixed for each grade in each district, which shall be legally binding on employers, but not prejudice the operation of higher rates. This statutory minimum for each day can be claimed by any worker who finds his piecework earnings falling below that sum. Wages varied under pre-war conditions in most districts with the selling price of coal, and some districts would at one time have been entitled

to a very large advance of wages based on the high price of exported coal; but the system ceased to work with the control of prices in 1915. The whole of the coal mines in Great Britain were brought under Government control in February, 1917, and war advances were subsequently negotiated on a national basis between the Coal Controller and the Miners' Federation. The various district percentages and the national war wage of 3s. received up to November, 1918, refer mainly to cost of living, but the "Sankey" advance of 2s. (January, 1919) was given explicitly on the ground that the miners' pre-war wage was inadequate, and for the definite purpose of improving his standard of living. In March, 1920, there was a further advance of 20 per cent on gross earnings (exclusive of the 3s. war wage and the "Sankey" 2s.), with a minimum increase of 2s., while the settlement of November, 1920, provided for the automatic adjustment of future increases on the following lines :—

" If the weekly average of the proceeds of export coal during the test period are maintained at the weekly average of the proceeds of export coal during the September quarter, the advance shall be 1s. a shift to persons of eighteen years of age and over, 6d. to those of sixteen and seventeen, and 4½d. to those under sixteen. If (after the deduction of the cost of extra output) this weekly average exceeds the September figure, an additional 6d., 3d., and 2½d. respectively will be paid for every complete £288,000 of the excess."

The scale resulted in an increase of 3s. 6d. per shift in January, 1921 (of which 2s. had been received in anticipation in the previous November), and a decrease of 3s. 6d. between January and the end of Government control in March. The coalowners now proposed to return to district settlements and announced reductions of wages amounting to between 40 and 50 per cent. in the South Wales and other districts, while the South Yorkshire miners were offered a slight advance. The terms were rejected by the miners in every district with the result of the coal-owners' lock-out. The lock-out lasted for three months and the men did not return to work until July, 1921. The new agreement comprised a temporary scheme and a more permanent settlement. The temporary scheme provides for a scale of reductions not exceeding 2s. per shift in July, 2s. 6d. in August, and 3s. in September, a sum of £10,000,000\* being contributed by the Government in order to assist the poorer districts to pay their share. The permanent settlement takes effect from October 1921 to December 1922. Under the terms certain district basis or standard rates must be paid (including certain district percentages), employers to receive, in addition to all costs of production, a standard profit equivalent to 17 per cent. of the cost of standard wages, while the surplus proceeds of the industry to be divided among owners and workers in the proportion of

\* Of this sum only £7,000,000 was eventually paid.

17 per cent. and 83 per cent. respectively. In no district, however, must wages be paid at lower rates than standard wages plus 20 per cent.

The Coal Mines (Regulation) Act, 1908, limits the hours of work underground to eight per day, but this does not include the delay in descending and ascending the pits. Under the Act of 1918, the eight hours were reduced to seven hours as from July 1919, and subject to economic considerations may be reduced by a vote of the House of Commons to six after July, 1921. In the case of piece-workers the reduction of hours was compensated by corresponding rate increases.

#### METAL TRADES.

*General Engineering and Shipbuilding Trades.*—Wages in the general engineering trades are negotiated between the Engineering and National Employers' Federation, and certain smaller societies of employers, on the one hand, and, on the other, the Amalgamated Engineering Union and the Engineering and Shipbuilding Trades Federation, representing for the most part skilled workers, and the National Federation of General Workers, representing the less skilled grades. Wages for marine repairing work, as distinguished from shipbuilding work, are adjusted with the Dry Dock Proprietors and Ship Repairers Association, and rates in this case are generally above the normal. There are other agreements for the shipbuilding trade, the workers being represented by the United Society of Boilermakers and Shipbuilders, but both groups came under the same national awards during the war. Already in 1914, standard minimum time-rates had been established in most important towns for fitters, turners, smiths, pattern-makers, millwrights, brass finishers, and for certain types of machinists, and regulation was extended during the war. Not only were rates fixed in hitherto unorganised districts, but one standard covers at present such important centres as the Tyne, Barrow, Manchester, Liverpool, Birmingham, Wolverhampton, Bristol, and numerous other large towns. Rates are higher than the average in London, in Sheffield and in South Wales, and a comparatively high standard obtains in the Royal Dockyards (£4 10s. 6d., December, 1920), but rates vary in small towns, several shillings below the figures given. At the end of 1920, the fitter's rate was £4 1s. 6d. at Hayle, in Cornwall, and only £3 15s. 3d. at Chard, in Somerset. There were no established rates for labourers before the war, and the figures given represent only various rates in operation. Nor are semi-skilled and labourers' rates established now in all the districts.

War advances in the engineering and shipbuilding trades took effect under a number of local agreements and awards until March, 1917, when previous increases were consolidated in a general minimum advance under a national award of the Committee on

Production. The award related at first to the engineering and foundry trades, but was immediately extended to ship-building, and covered all classes of male workers including labourers. War advances were subsequently granted on a national basis, and amounted to £1 19s. 6d. when the maximum increase was reached in June, 1920. This sum includes 13s. increase on basic rates, a war bonus of £1 6s. 6d. (which does not carry any addition to piece-rates), and a bonus of  $12\frac{1}{2}$  per cent. on gross earnings. The latter bonus was granted in the first instance so as to compensate certain classes of skilled tradesmen whose earnings had not increased proportionately to those of piece-workers, but it was afterwards extended to all classes of time-workers, while piece-workers received a bonus of  $7\frac{1}{2}$  per cent. as an equivalent. Apart from the national advances, there were various local adjustments, and wages in backward districts were levelled up to some extent.

The shipbuilding unions agreed in April, 1921, to accept a reduction of wages amounting to 3s. per week in the following May, and to 6s. in the following June, or 6s. 9d. taking into account the fluctuation in the  $12\frac{1}{2}$  per cent. bonus. Similarly, the engineering unions were obliged to accept two reduction of 3s. each to come into operation on July 15th, and on August 15th respectively.

Women are represented by the National Union of General Workers (which has now absorbed the National Federation of Women Workers), the Workers' Union and other general labour unions, which succeeded in 1913 in establishing a standard for the Midlands district. Following the Munitions of War (Amendment) Act, 1916, wages were fixed on a national basis by statutory orders of the Minister of Munitions, supplemented by arbitration awards and agreements with the National Engineering Employer's Federation. Women's wages were subject to a first reduction in May, 1921.

*Iron and Steel Trades.*—Wages in the iron and steel trades are separately negotiated in each district and/or in each section of the industry, between the several manufacturers' associations and the Iron and Steel Trades Confederation and other trade unions and vary with local conditions. The aggregate wages of the majority of the workpeople in the industry are governed by sliding scales based upon the selling price of the product, the scale percentages representing additions to the basis rates fixed for the different occupations.

During the war a large number of workpeople came under the engineering and foundry trades awards, these being principally workmen not governed by the sliding scales. In the case, however, of men on the scales, and particularly semi-skilled workmen and labourers, where the scales did not advance at a rate consistent with the increase in the cost of living, the flat rate war bonuses were applied under an arrangement whereby the workpeople concerned received whichever gave the higher percentage.

At the same time a minimum base rate of 23s. per week was fixed for labourers.

In the South Wales Siemens steel trade, there was adopted a system of percentage and graduated war advances which related partly to the cost of living and partly to the general prosperity of the trade. The percentage varied with the rate of base earnings. For example, under the agreement of January, 1920, workpeople with a weekly base earnings of between £1 and £1 10s. received 190 per cent., but this figure was reduced by 1 per cent. for every 1s. of earnings between £1 10s. and £3, by  $\frac{1}{2}$  per cent. for every 1s. of earnings over £3, with a minimum advance of 125 per cent. on base wages over £6 10s. Subsequently the graduated scale of war advances was substituted by sliding scales relating to the selling price of steel in bars. The scale commenced with a basis selling price of £5 per ton and fluctuated at the rate of  $1\frac{1}{2}$  per cent. for each 2s. 6d. change in the ascertained selling price, and it was agreed that the scale should become operative when the average ascertained price of steel bars reached £23 per ton, when, at that price, a uniform percentage on basis earnings under the scale of 180 per cent. would have been operative over all the workpeople. The selling price, however, did not reach that figure. In March, 1921, it was agreed to put the sliding scale into operation on the average ascertained price of bars for the three months ending December, 1920. This gave a uniform percentage of  $156\frac{1}{2}$  which involved a reduction in the case of workpeople whose percentages bonus were in excess of that figure, and an advance in respect of those below. It was arranged, however, that an extra 10 per cent. should be paid until the end of December, 1921, to workpeople with a basis rate of £1 10s. or less in the normal week.

Since the armistice the majority of the workpeople in the iron and steel industry whose wages were previously governed by war bonuses, have been transferred to the sliding scales by a system of equation which has generally increased the basis rates of the lowest paid workpeople. In other cases arrangements have been made for an adjustment of the war bonuses on the sliding scale principle and working in conjunction with the fluctuations of one or the other of the existing scales. It is estimated that not less than 97 per cent. of the workpeople employed in the heavier branches of the iron and steel industry now have their wages other than the basis rate governed by the sliding scale principle, and according to the selling price of the finished product.

In 1919, the twelve-hour shift was abolished and eight hours adopted throughout the whole industry. While some progress had been made in pre-war days and eight hours was the practice in tinplate and steel sheet mills, in the blast-furnace trade chiefly in the English districts, and in most of the steelworks in the South Wales Siemens steel trade, progress was slow, but the iron and Steel Trades Confederation, after its establishment, in 1916, made the eight-hour day the first item in its post-war programme,

with the result stated. The eight-hour shift was applied under an arrangement whereby in the case of all workmen with a basis earnings of £2 10s. or under the same rates were maintained in the shorter shift. Above a base earnings of £2 10s. a graduated scale of adjustments was made at the rate of approximately  $\frac{1}{2}$  per cent. for each additional 1s. above £2 10s. until a basis rate of £6 per week was reached, when a  $33\frac{1}{3}$  per cent. reduction of the rate to cover the reduced hours was made. The addition to the aggregate wages will resulting from the adoption of the eight-hour shift is estimated as being from 10 per cent. to 35 per cent.

#### TEXTILE TRADES.

*Cotton Industry.*—In the northern counties district, which forms the centre of the cotton industry, wages are negotiated between the several manufacturers' associations and the amalgamated associations representing the various bodies of cotton operatives, and changes are subject to general agreements. The war advances are for the most part based on the pre-war piece-work lists, the same percentage covers all sections of the industry, and amounted to 210 per cent. in 1920. The men card and blowing-room workers, who are employed on time-work, received an additional increase of 10 per cent., and the cloth workers and ware-housemen an additional increase of 5 per cent. Hours of work were reduced in 1919 from  $55\frac{1}{2}$  to 48 per week. The war bonus of 210 per cent. may be estimated to represent an actual wages increase of about 180 per cent.

On June 4th, 1921, over 500,000 cotton operatives were locked out for refusing to accept a reduction of 95 points on the war bonus. An agreement was, however, reached on June 15th, which resulted in an immediate all-round decrease of 60 points, with the prospect of a further reduction of 10 points six months later, making a total reduction of 4s. 5d. in the £1 on current prices.

*Wool and Worsted Industry.*—Wages in the wool and worsted trades are negotiated between the various bodies of employers and workers, or fixed by agreements of the National Wool Industrial Council. The figures given relate only to the Yorkshire and Lancashire districts, and the standard is a lower one in the western counties. War advances are subject to a sliding scale by which the percentage varies directly with the Ministry of Labour index figure of the cost of living, but the full amount is not received by all classes of workers. Pieceworkers are only entitled to a reduced scale; while, in the case of time-workers, there is a maximum sum to which the cost-of-living percentage may be applied. Apart from the cost-of-living wage, basis rate increases amounting to 15 per cent. were received during 1919 and 1920, and minimum rates established for various classes of workers. Hours of work

were reduced from 55½ to 48 hours per week in 1919, with compensating adjustments for piece-workers. There is a separate Industrial Council for Scotland.

The war bonus of 175 per cent. was reduced by 40 points under the cost-of-living sliding scale between December, 1920, and June, 1921, while a readjustment of the scale brought further reductions in July amounting to about 14 per cent. on rates current in the previous December.

*Linen, Jute, Flax, and Hemp Trades.*—These trades were brought under the Trade Boards Acts during 1920, and three separate boards were set up (exclusive of the Irish boards), one for linen piece goods, a second for the jute trade and a third for the flax and hemp trades. The standard is a higher one for some groups of workers in organised districts such as Kirkcaldy, Dunfermline and Dundee. The Kirkcaldy linen workers have a sliding scale and were subject to decreases varying from 8s. 10d. to 10s. 8d. for different classes of workers between December, 1920 and June, 1921.

*Hosiery Trades.*—The wages of hosiery workers are regulated by agreements between local groups of employers and local trade union organisations or general labour unions. The figures given for 1914 relate only to the Leicester district, and the standard is a comparatively high one. The subsequent war advances applied to the main centres of the industry, but the percentage was considerably below the sum given in some districts. The Hucknall shawl and scarf makers had only received a bonus of 75 per cent. in January, 1921, when the figure was raised to 100 per cent. The maximum war advances for the Leicester and neighbouring districts was 125 per cent. or 1s. 3d. in the 1s. in December, 1920, but the 1s. 3d. was reduced to 1s. in June, 1921.

*Carpet Industry.*—There are no general rates of wages, but the cost-of-living bonus is subject to an agreement of the Joint Industrial Council for the Carpet Industry. The agreement provides that increases on basic rates of 110 per cent. for time workers and 120 per cent. for piece workers shall be paid when the Ministry of Labour index figure is at 125 per cent., and for each variation of ten points in the index figure the bonus shall rise or fall by 10 per cent. The maximum increase was reached in December, 1920, when the bonus amounted to 160 per cent. for time workers, and 170 per cent. for piece workers.

*Silk Trades.*—Wages in the silk trades are negotiated between the Leek Manufacturers and Dyers' Association and the Trade Unions. Under the cost-of-living sliding scale, which relates to the Leek and Brighouse districts the index figure of 164 is taken as a basis, and every variation of 10 points is followed by a rise or fall of 10 per cent. in the bonus, or 2s. for men and 1s. 6d. for women. At Brighouse the wages of silk spinners are regulated by the sliding scale of the National Wool Industrial Council.



*Textile Dyeing, Bleaching and Finishing Trades.*—Wages in the Dyeing trades are negotiated between the employers' associations and the trade unions separately for the various districts, or sections of the industry. In the Lancashire, Derbyshire and Scottish trade, the cost-of-living wage takes the form of money amounts uniform for certain groups of workers. In respect of a cost-of-living index figure of 120, the increase for adult males is £1 16s. 3d., and £1 1s. 7d. for females. Alterations in the index numbers are followed by changes in these amounts in the proportion of 10 per cent. in the cost-of-living wage for one point in the index figure when the latter is at 100 or over, and .8426 of 10 per cent. in the cost-of-living wage for one point in the index figure when the latter is below 100. The machine calico printers, the engravers, the calico printers, the Hebdenbridge dyers and the Bradford workpeople employed in the grey room have separate but similar agreements. In the Yorkshire cloth trade, the cost-of-living wage is the same as that for the wool and worsted industry. Basic rates were revised during 1919 in the Lancashire, Cheshire, Derbyshire and Scottish districts, and minimum rates fixed for women. The Scottish standard is a lower one than in the Yorkshire and Lancashire districts.

#### CLOTHING TRADES.

*Tailoring Trade.*—Rates of wages for journeymen tailors are adjusted between the local employers' associations and the tailors' and Garment Workers' Trade Union and the Amalgamated Society of Tailors and Tailoresses. The "log" hour which forms the basis of payment may be roughly estimated at thirty minutes work for a journeyman of ordinary capacity. The ready-made section of the industry was one of the first trades to be scheduled under the Trade Boards Act, general minimum rates for men and women were fixed in 1912, and the board now covers the whole of the ready-made and wholesale bespoke trade and many branches of the retail bespoke trade. Trade union standard rates for special classes of workers had already been fixed in 1914, and the Tailors' and Garment Workers' Trade Union continues to play an important part in the operation of the Trade Boards Act. Trade Union rates above the legal minimum are established in well-organised districts, and these rates are afterwards consolidated into national minima under the Act. The maximum advance on pre-war rates was not reached until the end of May, 1921, but owing to protracted negotiations the increases were long overdue. Recent trade board decisions prescribe, not merely elaborate scales of minimum time-rates and overtime rates, but a minimum piece-work basis time-rate which guarantees an increased rate to piece-workers.

*Boot and Shoe Trade.*—Wages are fixed on a national basis by means of arbitration between the Federated Associations of

Manufacturers and the National Union of Boot and Shoe Operatives. A national scale of minimum wages was agreed in 1914, but local variations below the standard seem to have continued to some extent until the end of 1918. The figures given represent guaranteed minimum time-rates. Men piece-workers have the further advantage of elaborate piece-work statements, and commonly earn a wage above the time-work standard.

*Hat and Cap Trade.*—There were no established national or district rates until the cloth and straw hat trades were brought under the Trade Boards Act in 1920.

*Glove Trade.*—Wages were practically unregulated before the war, and the figures given for 1914 represent only a rough average wage. A scale of general district rates covering the Worcester, Yeovil and other main centres of the industry was agreed in 1919 through the Interim Industrial Reconstruction Committee for the Glove Industry, and these rates have been generally adopted in the leather section of the industry.

#### TRANSPORT.

*Railways—(Manual workers).*—There was no national standard for railwaymen before the war, and wages were negotiated between the several companies and the trade unions. Standardisation began with Government control. War advances were granted on a national basis, and a minimum wage of £2 11s. per week for adult railwaymen was agreed in the autumn of 1919. A Central Wages Board was set up the same year, consisting of five railway managers and five representatives of the trade unions, namely, three from the National Union of Railwaymen and two from the Associated Society of Locomotive Engineers and Firemen. Wages are at present made up of certain standard rates and a cost-of-living wage agreed upon in March, 1920, and operating as from January 1st, 1920. The revised standard, or basic, rates represent the average pre-war weekly rate in each grade plus 100 per cent., and the cost-of-living wage must not fall below this point. The cost-of-living wage represents the average pre-war rate plus £1 18s. a week, together with further increases ranging from 2s. to 7s. 6d. (2s. to 8s. 6d. in the case of signalmen) granted in June, 1920, the whole being subject to variations under a sliding scale whereby there is an increase or reduction (subject to the revised standard rate) of 1s. per week for every rise or fall of a full five points in the cost of living index number. The sliding scale remains applicable so long as the cost of living index number does not fall below 125, and is liable to revision once in three months. The sliding scale bonus amounted to 8s. in January, 1921, but this sum fell to 4s. in the following April. Rates vary again within each grade according to years of service. For example, guards do not reach their maximum rate until the end of the sixth year of service. Hours of work ranged from 48 to 72 per week in 1914, the average being about 60, but an eight-hour

day for all grades was established in February, 1919, without reduction of wages. Railwaymen are entitled to a "guaranteed week" of 48 hours, exclusive of all time on duty between midnight Saturday and midnight Sunday, time-and-a-half being paid for night work and double time for Sunday work or overtime. Further, they are entitled to a fortnight's annual holiday on full pay.

A new agreement for the railways, including the setting up of a permanent District Wages Board, was under discussion in June, 1921.

*Railways—(Clerks).*—Salaries are fixed by agreement between a Committee of Railway General Managers and the Railway Clerks' Association. Before the war there were separate scales for each company, the figures given for 1914 relating to the London and North Western Railway; but war advances were granted on the same national scale as in the manual grades, and salaries were standardised on a national basis in 1919. There was an average advance of about 100 per cent., and to the new salaries were added various "floating" bonuses. Under the cost-of-living sliding scale, so long as the cost-of-living index figure does not fall below 125, there is an increase or decrease of £5 per annum on the revised salaries for every full five points rise or fall in the index figures. Further, some classes of clerks are entitled to a residue of war bonus. This bonus is fixed at £90 for clerks with salaries less than £150 per annum on the new salaries scale, and £60 plus 20 per cent. of the new salaries for clerks with salaries over £150 per annum, but the increase in salary received on the introduction of the revised standardised scales must be deducted in each case from this bonus. In estimating salaries, no account in the table is taken of automatic increases of salary, nor of the consequent reduction of the residue of war bonus, but these adjustments do not materially affect the figures shown. Clerks working at London depots and stations are entitled to an additional allowance of £10 per annum. The figures given in the table do not relate to women, who belong mainly to junior grades.

*Road Transport.*—The wages of carters and motor drivers are fixed by agreements of the Joint Industrial (District) Councils for the Road Transport Industry, or between local employers' and trade union organisations. Some agreements cover as many as eleven counties, the towns being classified into grades, and a rate fixed for each grade. Similarly, the wages of tramway workers are determined by agreements of the National Joint Industrial Council for the Tramways Industry. Basic rates vary from one town to another, but war wages were consolidated in a flat rate bonus of £1 a week in February, 1920, the sum amounting to £2 in June, 1920. Basic rate increases, ranging from 1s. to 3s. a week and in a few cases 4s., were received in addition in certain backward districts.

*Waterside Transport.*—Before the war the wages of dock and wharfside workers were negotiated in each port between the various port authorities or shipping companies and the dockers' unions; but, in 1920, the Dockers' Court of Enquiry was followed by a national agreement between the National Council of Port Labour Authorities and the National Transport Workers' Federation, and a national minimum wage of 16s. a day (15s. in small ports) was fixed for dock workers, which extended to lightermen, and barge workers. Special rates are agreed for certain classes of dock and waterside labour, such as ship-workers, timber haulers and coal-heavers. It was decided in July, 1921, that an all-round reduction of 2s. per day should take place in the following August, with the prospect of a further reduction of 1s. per day in January, 1922.

*Merchant Shipping.*—Wages are fixed by decisions of the National Maritime Board, but there were uniform rates in 1914, before the Board was established. Wages are paid on a monthly basis, and food is provided in addition, the cost in respect of able seamen being estimated at £2 per month in 1914, and £4 15s. per month at the end of 1920. Where food is not provided, there are proportionately higher scales of wages, which are paid by the week. The advance of £3 per month (ordinary seamen, £1 10s.) granted in October, 1918, represents a "war risks bonus." There are no established hours of work.

#### AGRICULTURE.

Wages in agriculture were almost wholly unregulated before the war, and rates fell to an indefinitely low level in rural districts. The figures given for 1914 represent only the estimated average wage of the district. Under the Corn Production Act, 1917, an Agricultural Wages Board was set up for England and Wales, and a separate committee for Scotland. The Act provided that minimum time rates must be fixed so as to yield not less than £1 5s. per week to able-bodied male labourers, taking into account the value of any benefits or allowances which may be paid as a part of wages. A general minimum rate was subsequently fixed for each county area, and in some cases special rates for skilled workers. The lowest rate in England and Wales covers as many as thirty-five counties, while the difference between the highest rate and the lowest rate is not more than 6s. Hours of work are fixed in the same way, the normal week being rather longer in the summer than in the winter or 50 instead of 48 hours, except in Cheshire, where the normal week is 54 hours. Overtime rates range from 1s. 2d. to 1s. 3½d. an hour on week days, and from 1s. 5½d. to 1s. 6½d. an hour on Sundays. Women's rates are fixed on a separate basis and represent little more than two-thirds of the men's wages.

In Scotland the standard is a comparatively low one. In a report on Scottish agricultural workers by Sir James Wilson,

relating to 1919-1920, the average earnings, inclusive of overtime and all allowances in kind, were estimated at £2 6s. 2d. a week. Hours of work in Scotland vary from 52 to 60 a week.

In June, 1921, the Government announced its intention of repealing the Corn Production Act, and abolishing the Agricultural Wages Boards, a promise being given to set up voluntary boards in their place. Meanwhile, it was agreed in July that an all-round reduction of 6s. should take place immediately, subject to a minimum wage of £2 2s. per week.

#### PRINTING TRADES.

Wages in the printing trades varied widely from town to town before the war, and there were only local agreements. In many places there was no standard at all, and none in most towns for semi-skilled workers, and women. A national wages agreement between the Printing and Kindred Trades Federation (which includes most of the unions) and the several Masters' Associations was reached in May, 1919. The towns are now grouped in a London district and six provincial grades (three grades for lithographic printers and five grades for printers' assistants), and the rate is nationally determined for each grade. In the case of compositors and bookbinders there is a difference of 15s. per week in the rate between the highest and the lowest grade, and a difference of 3s. between consecutive grades. Women's wages are likewise subject to national agreements, but their rates amount to less than one-half the standard of printers' assistants, or to rather more than one-half in London, where a minimum wage was established for some classes of women in 1914. The agreed rates are minima in all cases, but the full amount is not received until the termination of apprenticeship or a period of five years' service. There are special rates in the newspaper trade, which is regulated by separate agreements, and special rates are agreed for certain "trade" houses. In the case of London compositors engaged in daily or evening newspaper work, the rates are respectively £8 and £7 15s. per week, while the London rate for electrotypers and stereotypers engaged on newspaper work or employed by trade houses, comes to £6 10s. per week. Provincial compositors and machine operators receive an additional rate of 12s. to 13s. 6d. per week, or of 2s. 6d. per week for evening newspaper work. Similarly, printers' assistants receive 6s. per week extra when employed on night work, and warehousemen of either sex employed by London wholesale newsagents must be paid a rate of £4 15s. both on indoor day-work and on night-work, as against the ordinary rate of £4 13s. 6d. for men and £2 9s. for women. There is a separate national wages board for Scotland. The journeymen's standard is about the same as that of compositors in corresponding English provincial grades. Hours of work in the printing trades were reduced in the spring of 1919 from 49-51 to 48 per week, with no loss of wages. Other provisions include

payment for Bank Holidays (six in number) and an annual holiday of six days.

#### FURNISHING TRADES.

Wages in the furnishing trades are fixed by agreements between the local employers' associations and the National Amalgamated Furnishing Trades Association and the Amalgamated Union of Upholsterers. Similarly in the packing house section of the industry district agreements are reached between the local bodies of employers and workers. Wages are paid on a hourly basis. The amount varies from one district to another, but the general effect of war advances has been to level up wages in backward districts, and the variations are less than in 1914. Hours of work amounted to from 48 to 54 per week in 1914, but a 47 hour week has since been widely established. This adjustment entailed a reduction of as many as seven hours in Birmingham, and must be taken into account in estimating the advance on weekly earnings.

Various reductions of wages took place in June, 1921, and in London a cost-of-living sliding scale was agreed by which certain rates ranging from 2s. 2d. per hour for cabinet makers to 1s. 1½d. for upholstresses should coincide with a cost-of-living index figure of 144. If prices were to fall to the pre-war level, these rates would be reduced under the scale to 1s. 3d. for cabinet-makers and to 8d. for upholstresses.

#### POTTERY TRADES.

Wages in the pottery trades are negotiated between the manufacturers' organisations and the National Pottery Workers' Society. The figures given for 1914 relate only to the North Staffordshire district, but the war advances apply to all important centres in England and Scotland. The aggregate advance of 108½ per cent. includes an incorporated bonus of 66½ per cent. on pre-war rates and a war wage of 25 per cent. on earnings. Placers and saggar-makers in the china and earthenware section have a present basic rate of 7s. per day plus the general advance of 108½ per cent. ; while minimum rates have been fixed for labourers who had no standard until 1919, and for some classes of women. The latter groups have in consequence received increases amounting to a substantially higher percentage than the general advance.

#### CHEMICAL TRADES.

Wages in the chemical trades were practically unregulated before the war, but in 1919 minimum rates were established for the soap and candle trade, and for various other departments, by agreements of the Joint Industrial Councils and by recommendation of the Industrial Court. The standard of the fine chemicals and drugs trade is about the same as that of the soap and candle trade. In the heavy chemical trade men's wages

were governed during the war by national awards of the Committee on Production and women's wages by statutory orders of the Ministry of Munitions. War advances followed broadly the same course as in the engineering and ship-building trades.

#### FOOD TRADES.

*Bread Baking.*—The wages of bakers and confectioners are negotiated between the local Master Bakers' Associations and the Amalgamated Union of Operative Bakers, separately, in each district, but a national minimum wage of £3 5s. (£3 in rural areas) was established in 1919 for adult male workers. The present national minimum is £3 15s. (£3 10s. in rural areas), but the district minimum amounts to as much as £4 17s. 6d. in many towns in Scotland. There is an additional bonus for nightwork. In the Manchester district the sum is 10s. a week for men starting work between midnight and 6 a.m. ; while in Scotland men starting work before 5 a.m. must be paid an extra 5s. a week, or 2s. 6d. for work started between 5 a.m. and 6 a.m. Corresponding rates are fixed for women, but do not amount to more than about two-thirds of the men's standard.

*Sugar Confectionery and Fruit Preserving Trades.*—There were no established rates in these trades until they were brought under the Trade Boards Act in 1915. The present trade board rates include a scale of minimum time-rates, and a piece-work basis time-rate, which is 2½d. an hour (10s. per week) above the time-rate for men, and 1½d. per hour (6s. per week) above the time-rate for women. Apart from the Trade Boards Act, these trades are covered by agreements of the Interim Industrial Reconstruction Committee of the Cocoa, Chocolate, Sugar Confectionery and Jam Industries, representing the employers and the workers, and the agreed rates are substantially higher than the legal minimum. In the cocoa and chocolate trade, the agreed rate is 14s. 6d. above the trade board rate for men and 8s. above the trade board rate for women, with corresponding advantages to piece-workers. Similarly, the age at which the full adult rate must be received is fixed by the voluntary agreement at 21 instead of 24 years.

#### TOBACCO TRADES.

The wages of cigar makers are negotiated between the Cigar Manufacturers' Association and the National Union of Cigar Makers. Wages are fixed on a piece-work basis, and prices were established before the war in the London area and elsewhere. Wages in the unskilled section of tobacco manufacture were practically unregulated until these trades were brought under the Trade Boards Act in 1919. The figures given for 1914 and 1918 relate only to certain firms in the London district.

#### DISTRIBUTIVE TRADES.

The regulation of wages has reached its most advanced stage among co-operative employees. The famous co-operative scale



was drawn up in 1912; minima were fixed at £1 4s. for men and 17s. for women, and this scale formed the basis of subsequent advances. Wages are at present determined by agreements of the Joint Wages Councils, representing the various divisions of the Co-operative Union Ltd., and the National Union of Distributive Workers (formerly the Amalgamated Union of Co-operative Employees). There are in all seven great divisions and some small ones, the northern division being graded into seven districts with various district rates; but the trade union object is to secure so far as possible a national minimum wage. Clerks receive a few shillings over the standard for shop assistants and work for shorter hours, while warehousemen receive about 2s. under the standard.

Regulation has been exceptionally difficult to establish in commercial shops. The National Amalgamated Union of Shop Assistants started a minimum wage campaign in 1910, minimum wage committees were set up in each district, and agreements have been reached with a large number of important firms, and with some local employers' organisations; but wages in unorganised shops remained at an incredibly low level throughout the war, especially in the case of women. The Union claims a four-fifths standard for women, but a flat rate for clerks, shop assistants and warehousemen. Shop assistants stand for a uniform standard in all trades.

In the autumn of 1920, trade boards were set up for the milk distributive and the grocery and provision trades, and later on for the fruit, flower, poultry, and rabbit trade, and the meat distributive trade. The policy of sectional boards was adopted in spite of trade union opposition. Minimum rates have been proposed for the milk distributive trade and the grocery and provision trades, but in the latter case the grocers announced their intention of disregarding the decision, and the Ministry of Labour has refused to endorse the proposals.

#### CIVIL SERVICE.

Wages were mainly regulated before the war by means of Treasury circulars. In the case of post office workers, adjustments followed the recommendations of specially appointed Select Committees of the House of Commons. War advances were afterwards subject to arbitration between the Treasury and the various trade unions, and in May, 1920, a consolidated war bonus of 130 per cent. on basic salaries was granted on the recommendation of the National Whitley Council for the Civil Service. There were no distinctions of sex, but the bonus was subject to important modifications in the case of higher-paid grades. The full amount is paid on the part of the salary up to £1 15s. a week, 60 per cent. on the part between £1 15s. a week and £200 a year, and 40 per cent. on the part over £200. The percentage is subject to revision every four months, or every six



months after May, 1921, and an increase or decrease of one-twenty sixth takes place for every full five points rise or fall in the *Labour Gazette* index number for the cost of living. The estimate relates to the previous term, which accounts for the rise of two points between November, 1920, and March, 1921. The figures given in the general table for civil servants take no account of the re-grading scheme by which in 1920 whole classes of men civil servants were promoted into grades with higher basis salaries. Apart from the war bonus, some badly paid classes of women, such as shorthand typists, received special rate increases amounting in some cases to 11s. a week. Post office workers are divided into an inner and outer London, and three provincial classes. There were five provincial classes until 1920, when classes II. and III., and classes IV. and V., were merged into class II and class III. respectively. The class III. figures for 1914 relate to class IV. of that date. Salaries rise automatically with years of service. Under the latest post office scales, the age of promotion to the maximum rate has been reduced by one year for men sorters, telegraphists and clerks, two years for women, and by as much as eight years for some classes of postmen.

#### PUBLIC UTILITY SERVICES.

The wages of municipal employees are mainly regulated by agreements of the Joint Industrial (District) Councils which have been set up for the various departments, and represent the corporation (or corporations) and the trade unions. Rates vary considerably from one town to another, and fluctuate in most cases with some form of cost-of-living sliding scale. The figures given relate only to the London area. The sliding scale generally adopted for "non-trading" manual workers provides that when the cost-of-living index number is at 140, a bonus shall be paid of 160 per cent. on wages up to £1 10s., 70 per cent on the next £2 10s. and 45 per cent. on the balance, if any. This bonus is subject to an increase or decrease of one-twenty-eighth for every five points variation in the index figure above or below 140, the revision taking place every three months. The London standard is a comparatively high one. In the great industrial centres of Northumberland and Durham, when the maximum advance was reached in February, 1921, the scale of inclusive rates for "non-trading" manual workers ranged from £4 10s. 1d. to £5 3s. 4d., as compared with £4 8s. 3d. to £5 7s. for corresponding groups in London; while, in the West Midlands district, the corresponding groups were rated from £3 9s. to £3 11s. in large towns, with a flat rate of £2 7s. in rural districts.

In the case of electricity supply undertakings, wages are adjusted by District Councils of the Joint National Industrial Council for the Electricity Supply Industry. War advances in the London district were consolidated in a revised hourly rate in the spring of 1920, and the maximum advance under the cost-of-living

sliding scale took place in the following November. Rates of wages for gas workers vary from one company to another, and from district to district. War advances for some groups of workers followed broadly the same course as in the engineering and ship-building trades. Adjustments are now made on a national basis, but in some awards towns are graded, and different rates are fixed according to the size of the undertakings.

#### NOTE TO TABLE II.

THE object of Table II. is to show comparative figures of war advances for representative classes of workers in various industries, but the columns do not contain any new matter, and form merely an extract from Table I. The percentages are based in each case on the figures previously given for the class of worker and the district in question. Where a large group of workpeople in an industry are covered by a general percentage advance, this rate has been taken as representative of the industry, but there has been no attempt to arrive at a general or average rate for all workers. The percentages relate only to the class of worker and to the district named in the column. In the building and furnishing trades, where wages are paid on an hourly basis, the percentage has been adjusted so as to take account of the reduction in the hours of work, and to show the real and not merely the nominal advance in the normal weekly wage. Similarly, in the cotton industry, where the reduction in the hours of work has not been compensated for to piece-workers by corresponding wages adjustments, the necessary allowance has been made in the percentage. It would not otherwise be a fair ground of comparison between these and other industries, where there is a weekly time-rate, or compensation for loss of time has been received by piece-workers.

## APPENDIX II. PRICES

### SOURCES OF INFORMATION,

"Statistics of Retail Prices"—*Labour Gazette* (Official).  
*Abstract of Labour Statistics* (Official).

TABLE I.  
COST OF LIVING INDEX.  
(Labour Gazette).  
MONTHLY RECORD.

July, 1914	100	Jan., 1916	135	Jan., 1917	165	Jan., 1918	190
Jan., 1915	115	Feb., "	135	Feb., "	170	Feb., "	190
Feb., "	115	Mar., "	140	March, "	170	March, "	190
March, "	120	April, "	140	April, "	175	April, "	195
April, "	120	May, "	145	May, "	175	May, "	200
May, "	120	June, "	145	June, "	180	June, "	200
June, "	125	July, "	150	July, "	180	July, "	205
July, "	125	August, "	150	August, "	180	August, "	210
August, "	125	Sept., "	150	Sept., "	185	Sept., "	210
Sept., "	130	Oct., "	155	Oct., "	180	Oct., "	220
Oct., "	135	Nov., "	160	Nov., "	185	Nov., "	225
Nov., "	135	Dec., "	165	Dec., "	185	Dec., "	225
Dec., "	135						
Jan., 1919	220	Jan., 1920	225	Jan., 1921	265	This table gives the monthly fluctuation for cost of living, including, besides food, clothing, rents, etc.	
Feb., "	220	Feb., "	230	Feb., "	251		
March, "	215	March, "	230	March, "	241		
April, "	210	April, "	232	April, "	233		
May, "	205	May, "	241	May, "	228		
June, "	205	June, "	250	June, "	219		
July, "	210	July, "	252				
August, "	215	August, "	255				
Sept., "	215	Sept., "	261				
Oct., "	220	Oct., "	264				
Nov., "	225	Nov., "	276				
Dec., "	225	Dec., "	269				

TABLE II.  
RETAIL FOOD PRICES.  
(Labour Gazette.)

1905	100	increase per cent. over 1905.
1906	98.94	1.06% decrease.
1907	101.85	1.85% increase.
1908	104.3	4.3 % "
1909	104.4	4.4 % "
1910	106.1	6.1 % "
1911	106.1	6.1 % "
1912	111.1	11.1 % "
1913	111.4	11.4 % "
1914	118.3	18.3 % "
1915	150.7	50.7 % "
1916	182.4	82.4 % "
1917	231.1	131.1 % "
1918	237.9	137.9 % "
1919	236.8	136.8 % "
June, 1920	288.9	188.9 % "
Nov., 1920	312.7	212.7 % "
June, 1921	248.1	148.1 % "

It should be noted that the base year is 1905, while the Cost of Living and Food Prices Index given in the *Labour Gazette* each month is based on the year 1914. It will be seen that from 1906

there was a steady increase to 1914, when the outbreak of war produced a much more rapid increase continuing until 1918. A slight decrease followed, but an enormous jump took place in 1919-20 until the highest point of the entire period was reached in November, 1920, when foodstuffs cost more than three times the 1905 prices. From November, 1920, a steady decline set in which has continued to the present time, but the figure is still higher than at any time prior to 1919.

TABLE III.

## INCREASE IN CLOTHING PRICES.

	1915.	1916.	1917.	1918.	1919.	1920.	1921.
March ..	12½%	45%	90%	170%	260%	310%	240%
June ..	25%	55%	100%	210%	260%	320-330%	
Sept. ..	30%	65%	120%	240%	260%	330%	
Dec. ..	35%	80%	140%	260%	270%	300-310%	

This table is given with an explanatory article in the *Labour Gazette* for April, 1921. As previously explained the method of calculation cannot be regarded as satisfactory, but even these official figures show an *increase* of 240 per cent. for March, 1921. Remembering that clothing is insufficiently weighted by the Ministry of Labour in making up the Cost of Living Index, we can see what a difference such a factor will make.

TABLE IV.

## VALUE OF £1 IN FOOD.

(Labour Gazette.)

July, 1914 ..	20/-	Jan., 1917 ..	10/8	July, 1919 ..	9/6
Jan., 1915 ..	17/-	July, 1917 ..	9/9½	Jan., 1920 ..	8/5½
July, 1915 ..	15/-	Jan., 1918 ..	9/9	July, 1920 ..	7/9
Jan., 1916 ..	13/9½	July, 1918 ..	9/6	Jan., 1921 ..	7/2
July, 1916 ..	12/5	Jan., 1919 ..	8/8	June, 1921 ..	9/2

TABLE V.

## COST OF GOVERNMENT STANDARD WORKING-CLASS BUDGET.

1905 ..	22/7	1911 ..	24/-	191 ..	51 6
1906 ..	22/5	1912 ..	25/1	1918 ..	53/11
1907 ..	23/2	1913 ..	25/2	1919 ..	53/3
1908 ..	23/7	1914 ..	25/8	1920 (June) ..	65/5
1909 ..	23/7	1915 ..	33/9	1920 (Nov.) ..	70/10
1910 ..	24/-	1916 ..	40/6	1921 (June) ..	56/2

TABLE VI.

## WHOLESALE PRICES.

(Times Index number—60 articles).

(Base year is 1913—whole year).

The following table shows how wholesale prices have varied during the period immediately before and after the greatest increase in Retail Prices. Retail Prices Index numbers are given for comparison.

	Food.	Materials.	Total combined.	Food Retail (Lab. Gaz.)
May, 1920 .. ..	305.9	372.0	347.8	246
June, " .. ..	304.4	352.5	334.8	255
July, " .. ..	300.2	351.7	332.8	258
Aug., " .. ..	287.5	346.2	324.7	262
Sept., " .. ..	293.5	332.5	318.2	267
Oct., " .. ..	297.8	309.9	305.5	270
Nov., " .. ..	276.5	265.4	269.5	291
Dec., " .. ..	260.8	245.6	251.2	282
Jan., 1921 .. ..	244.8	219.7	228.9	278
Feb., " .. ..	226.3	202.3	211.1	263
Mar., " .. ..	223.7	191.6	203.4	249
April, " .. ..	216.4	187.6	198.2	238
May, " .. ..	204.5	185.6	192.5	232
June, " .. ..				218

Comparing the first and the last columns we notice that Wholesale Prices were declining rapidly while Retail Prices were mounting equally rapidly (May-November, 1920). The curves given in diagram show this more clearly. It will be obvious that the Cost of Living, which depends on Retail Prices, cannot be gauged by the Index numbers for Wholesale Prices.

TABLE VII.

## WHOLESALE PRICES.

(From a paper in the *Journal* of the Royal Statistical Society, March, 1921, by A. W. Flux.)

	Board of Trade, 1900 =100.	Economist, 1901-5 =100.	Statist, 1867-77 =100.	Times, Dec. 31st, 1913=100.	Bureau of Labour, 1913 =100	Federal Reserve Board, =100
Jan., 1919 ..	286.7	265.7	192.1	232.2	203	195
April, 1919 ..	292.3	262.4	184.6	227.6	203	196
July, 1919 ..	281.8	293.2	206.4	252.0	219	211
Oct., 1919 ..	323.9	308.9	224.3	277.4	223	212
Jan., 1920 ..	356.6	353.1	245.3	313.4	248	242
April, 1920 ..	374.4	374.2	266.1	329.2	265	263
July, 1920 ..	404.3	358.0	254.6	305.8	262	250
Oct., 1920 ..	377.5	326.1	239.9	290.1	225	208

The last two columns refer to U.S.A. The table is given merely to show that Index numbers compiled by different authorities do not agree with each other. Not that the actual figures should agree (for the base years are all different), but they do not agree in their general character. The Board of Trade Index-Number reaches its highest point in July, 1920, while all

the other English series reach their highest figure in June. From July to October, 1920, the Board of Trade Number decreases by 6.6 per cent. of the July figure, the Economist by 8.9 per cent., the *Statist* by 5.8 per cent., and *The Times* by 5.1 per cent. The Index number method is not infallible either for Wholesale or for Retail Prices, by whatever authority it is compiled.

TABLE VIII.\*

VARIATIONS IN REAL WAGES (PURCHASING POWER) OR STANDARD OF LIFE.

July, 1914=100.

End of	1915	1916	1917	1918	1919	1920
Building ..	80.8	80.6	89.8	90.7	94.7	84.02
Mining ..	97.8	101.8	99.5	89.0	98.2	97.4
Engineering ..	86.7	75.8	85.7	89.4	95.6	86.7
Steel ..	85.2	77.0	90.3	82.0	102.2	104.0
Cotton ..	74.1	63.7	73.0	93.4	98.2	104.8
Wool ..	79.6	75.8	80.0	81.8	104.4	104.4
Hosiery ..	80.0	72.2	70.9	68.5	88.9	83.7
Dyeing ..	82.2	75.8	89.8	92.5	101.8	103.0
Tailoring ..	74.1	60.6	67.6	66.7	66.7	79.0
Boot and Shoe ..	79.3	66.7	72.0	71.9	83.0	71.8
Railways ..	89.7	86.7	103.2	108.0	117.8	117.1
Road Transport ..	81.5	69.7	80.0	87.6	93.4	89.0
Docks ..	81.5	72.2	84.9	81.8	97.4	113.3
Printing ..	79.8	69.7	74.5	83.1	96.9	95.2
Furnishing ..	74.1	68.5	70.3	69.4	89.8	87.0
Pottery ..	79.3	70.3	69.8	71.1	80.0	77.4
Baking ..	80.8	67.9	72.5	86.2	92.9	95.2
Post Office ..	77.8	64.9	70.3	69.4	82.6	93.4

TABLE IX.\*

PERCENTAGE VARIATION IN PURCHASING POWER (REAL WAGES) OR STANDARD OF LIFE.

(Compared with July, 1914.)

End of	1915	1916	1917	1918	1919	1920
Building ..	-19.2	-19.4	-10.2	-9.3	-5.3	-15.98
Mining ..	-2.2	+1.8	-0.5	-11.0	-1.8	-2.6
Engineering ..	-13.3	-24.2	-4.3	-10.6	-4.4	-13.3
Steel ..	-14.8	-23.0	-9.7	-13.0	+2.2	+4.0
Cotton ..	-25.9	-36.3	-27.0	-6.6	-1.3	+4.8
Wool ..	-20.4	-24.2	-20.0	-13.2	+4.4	+4.4
Hosiery ..	-20.0	-27.3	-23.1	-31.5	-11.1	-16.3
Dyeing ..	-17.8	-24.2	-10.2	-7.5	+1.3	+3.0
Tailoring ..	-25.9	-39.4	-32.4	-33.3	-33.3	-21.0
Boot and Shoe ..	-20.7	-33.3	-23.0	-23.1	-17.0	-23.2
Railways ..	-10.3	-13.3	+3.2	+8.0	+17.8	+17.1
Road Transport ..	-18.5	-30.3	-20.0	-12.4	-6.6	-11.0
Docks ..	-18.5	-27.8	-15.1	-13.2	-2.6	+13.3
Printing ..	-20.2	-30.3	-26.5	-16.9	-3.1	-4.8
Furnishing ..	-25.9	-31.5	-29.7	-30.6	-10.2	-13.0
Pottery ..	-20.7	-29.7	-30.2	-23.9	-20.0	-22.6
Baking ..	-19.2	-32.1	-27.5	-13.8	-7.1	-4.8
Post Office ..	-22.2	-35.1	-29.7	-30.6	-17.4	-6.6

\* See Table II. of Appendix I.





### APPENDIX III. PROFITS.

#### SOURCES OF INFORMATION.

##### *Economist.*

Board of Trade : Company Reports for 1918 and 1919 [H.C. 182 (1919), H. C. 190 (1920).]

##### Share Price Lists.

Inland Revenue, Commissioners Reports for 1914 and 1919 [Cmd. 8116 (1915), Cmd. 1083 (1920)].

TABLE I.

## BONUS SHARES ISSUED IN 1920.

For some time it has been customary to see references made in the Labour and Socialist Press to the issue of bonus shares. These references have been to bonus shares issued by particular companies only, and no attempt, so far as is known, has been made to analyse the figures for each industry or to estimate the amount which was paid out to shareholders in this way.

The first table given below, compiled from records available in the Labour Research Department, gives in the first and second columns the number of companies which have paid bonus shares and the industry into which they fall. The third column gives, not the total paid-up capital of the companies, but of that part on which these bonus shares are paid. The fourth column gives the total amount of past accumulated profits received by the shareholders in the form of these bonus shares. If the total figures of all the industries are taken, it is found that on the average these 235 companies distributed two fully-paid-up shares for every three shares held. It should be noted that these bonus issues are almost always paid out to the ordinary shareholders.

The year 1920 has been taken partly because the records for that year are more easily obtainable and partly because this practice had reached its zenith in that year. As can be seen from the number of companies embracing as they do almost every industry in the country, the results may be taken as fairly indicative that this method of distributing profits was widespread throughout the world of capitalism.

## BONUS SHARES ISSUED IN 1920.

Industry.	No. of Companies.	Paid up Capital on which bonus is paid.	Amount of bonus issue.
		£	£
Amusement .. .. .	6	990,558	530,588
Coal, Iron and Steel .. .. .	21	9,965,055	6,141,171
Engineering and Shipbuilding .. .. .	26	8,156,570	4,562,874
Finance and Banking .. .. .	11	6,322,887	3,395,310
Food, Drink and Tobacco .. .. .	22	19,827,466	7,779,094
Merchanting .. .. .	11	4,631,302	1,208,708
Metals .. .. .	10	3,557,279	873,749
Miscellaneous .. .. .	24	9,135,629	6,987,344
Shipping, Railways, and other .. .. .	20	13,055,786	5,510,406
Tea, Rubber, etc. .. .. .	50	8,951,510	10,898,434
Textiles, Clothings and General .. .. .	27	12,169,322	16,716,470
Distribution .. .. .	7	1,193,750	686,250
Warehousing, Storage, &c. .. .. .	235	£97,957,114	£65,240,398
Total .. .. .			

The above table is not absolutely complete because in the first place it only deals with bonus issues made by public companies ; it, therefore, excludes all bonus issues made by private companies which are known in many cases to be very great in proportion to their paid-up capital. Secondly bonus issues of a small proportion of public companies are not included as particulars are not yet available.

Though exact data are not to hand, it is generally accepted that the issue of bonus shares became increasingly popular from the very beginning of the war. This increasing popularity was partly due to the opening which this method gave to companies to hide their true position ; thus, a company which had doubled its profit and yet wanted to keep its dividend at, say, 10 per cent., could double its capital by issuing bonus shares in the proportion of one new share for every old share held, and thus distribute double the amount in the form of dividends while still keeping the dividend rate at 10 per cent.

Bonus shares have another great advantage in that they render their recipients free from liability to super tax, which they might otherwise have had to pay if the money, distributed as bonus shares, had been paid out in the form of dividends. This immunity from super-tax in respect of bonus shares has for some years been disputed by the Inland Revenue Authorities ; it was only on June 3rd, of this year that, after a case has been heard in the House of Lords, it was finally decided by a majority of three to two that bonus shares are not liable to super tax. Some words of the dissenting judgment of Lord Dunedin are worth quoting from a passage in which he refers to the different methods employed by a company in order to obtain capital :—

“ In the present case the company might say, and it did say to its shareholders—‘ There is a large sum of undivided profits. We shall allot to each shareholder his proportional amount of these profits, but we will not pay that amount in cash but will impute it to the payment of the shares we are issuing, and give each shareholder the shares for which his allotted amount effectuated payment.’ He could not himself escape from the feeling that that was just giving to the shareholder his share of undivided profits not in cash, but in the shape of paid-up shares, and if that was so, it seemed to him to fall within the description of taxable income.”

In view of this judgment it is interesting to compare the results of this table with the total incomes assessed to super-tax in 1918-1919 (the last year for which figures are available). We get the following result. The total of incomes assessed amounted to close on £333½ millions, and the bonus issue in 1920 amounted to over £65 millions, thus representing about 20 per cent. of the total income assessed for super-tax.

The opposite table is supplementary to the table given above. Here is analysed the position of those companies which made issues of shares to their shareholders at a price which, though considerably below the market price of the shares, were still above the nominal value. This enabled the shareholder, by selling these shares he subscribed for in this way, to pocket the profit and enabled the company to increase its reserve for future "contingencies." The Imperial Tobacco Co., for instance, issued in 1920, new £1 shares to its ordinary shareholders in the proportion of one new share for every three held, at the price of 40/-; immediately after this operation, the shares were quoted at 55/6; this enabled the shareholder to sell out his holding and pocket 15/6 per share on the transaction and enabled the company to increase its reserve (generally entitled "share premium account.") by 20/- on each share issued. In this case the Imperial Tobacco Co. was enabled to put to reserve a total of £5,573,248, while the shareholders were enabled to pocket a total of £4,941,595, always assuming that all the holders were able to, and in fact did, sell out at the price quoted above.

On this basis, therefore, the table opposite has been constructed. It shows that these operations were just as widespread in 1920 as the practice of issuing bonus shares. For from columns 2 and 3 it will be seen that a total of 225 companies are given; the shares of 28 of these companies were apparently not dealt with on the Stock Exchange, as no quotations can be found. The 3rd and 4th columns give the total amount of shares issued in this way. The amount of issue by companies whose shares are quoted are given separately from those which are unquoted.

The fifth column gives the amount of money which the companies were enabled to appropriate to their reserves by the issue of their shares at a price higher than the nominal value. These reserves only went to swell other accumulated reserves which would eventually be distributed to the ordinary shareholders in some form. The Aerated Bread Co., for instance, in February, 1920, issued £63,750 £1 shares to its shareholders at the price of £4. The premiums derived from these shares were put to reserve. In the next month, however, the company capitalised these premiums together with certain other reserves and issued fully-paid-up bonus shares to its ordinary shareholders in the proportion of one new share for every share held, the new shares ranking for dividend as from March 28th of that year.

The seventh column is an estimate of the total profits accruing to shareholders by the sale of these shares at the price quoted immediately after the issue. Thus the Shell Transport and Trading Co. issued 6,433,852 £1 shares at par to its ordinary shareholders. The price of the ordinary shares, immediately after this operation, was quoted at £6; at this price consequently by selling all these shares the shareholders would have been able to make a profit of £38,603,112.

## APPENDIX III.—PROFITS.

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## PROFITS REALISABLE FROM SHARES ISSUED TO SHAREHOLDERS AT PREMIUMS.

Industry.	No. of Companies whose shares are		Amount of Issue (excluding bonus) of shares.		Profit to Companies.	Estimated Profit to Shareholders.	Percentage Profit obtained by Shareholders on Capital supplied.
	Quoted.	Unquoted.	Quoted.	Unquoted.			
Banking	7	1	£ 6,928,519	£ 201,527	£ 6,513,795	£ 10,675,577	% 154
Chemicals	16	nil	3,059,883	nil	2,507,617	2,281,727	75
Coal, Iron and Steel	13	1	7,122,910	70,000	181,781	3,443,217	48
Engineering and Shipbuilding	24	2	4,991,519	209,646	971,274	1,694,865	34
Finance and Insurance	17	2	3,264,518	53,663	1,510,119	1,976,338	61
Food, Drink and Tobacco	18	3	13,408,128	208,550	6,371,709	29,546,071	220
Merchanting	4	nil	1,865,558	nil	626,389	1,742,921	94
Metals	9	3	1,039,594	70,803	1,122,379	1,280,751	123
Oil	7	nil	8,106,532	nil	503,238	39,961,028	493
Shipping, Railways and Other Transport	11	nil	4,753,523	nil	951,804	7,459,704	157
Tea, Rubber, etc.	40	8	5,211,035,	184,385	9,338,118	2,867,910	55
Textiles, Clothing and Distribution	9	4	4,006,855	2,338,000	1,880,846	3,343,641	83
Warehousing, Storage, etc.	3	nil	159,000	nil	13,500	41,820	26
Miscellaneous	13	4	3,058,438	155,000	409,428	1,688,424	55
Total	197	23	£66,975,962	£3,484,574	£32,901,987	£108,008,994	161 (average)

The eighth column gives an indication of the percentage profit made by the shareholders on the capital temporarily supplied by them to facilitate this transaction. Here, however, it should be pointed out that especially where the issue of these shares was large as compared with the original paid-up capital the operation of selling these shares may have resulted in a fall in the price before the operation could be completed; further, of course, there is no certainty that all the shareholders were willing to sell their shares owing to the fact that they expected to gain a still greater profit by a further rise in the future. But when both these considerations are taken into account it still remains true that very large profits could have been made by individual shareholders without making permanent inroads into their capital resources, by the simple method of obtaining short term loans from their banks to finance these operations. Besides, even if the figure of £108,003,994 is held to be an exaggeration of the real position in view of the above considerations, it is outweighed by the fact that this table is by no means comprehensive; at least eighty public companies are not included owing to their method of issuing these shares being too complicated.

Finally a comparison with Table VIII (Capital Applications) is most interesting. From that table it will be seen that whereas £143,180,500 was applied for by public limited companies from the public in 1913, £271,477,900 was applied for in 1920. But these figures which are taken from *The Economist* do not include bonus shares issued to shareholders otherwise than for cash. So in reality to the figure for 1920 should be added £65,240,398, the total amount of bonus issues as given in the first table above, totalling £336,718,298. It may be said that a few issues of this kind were made in 1914, but in view of the fact that our tables are incomplete this addition may be taken as quite justifiable. Thus we get in 1920 alone a permanent addition to the capital of public companies of 135 per cent., as compared with 1913, on which dividends must be earned.

TABLE II.

## COTTON PROFITS.

Drawn by Capital as	Yearly Average, 1909-13.	Yearly Average, 1912-13.	Yearly Average, 1914-18.	Year, 1919.	Year, 1920.
	£	£	£	£	£
Dividends ..	1,685,000	2,700,000	2,130,000	4,956,000	12,725,000
Reserves ..	455,000	710,000	1,278,000	3,589,000	6,362,000
Total to Owners	2,140,000	3,410,000	3,408,000	8,545,000	19,087,000

From investigations into the cotton industry carried on by the Department the foregoing indications as to the profit made by this industry can be given. On the basis of particulars given by certain cotton trade papers as to the profits of a hundred firms, the above calculation has been made as to the total profits made in the spinning section of the cotton industry.

Looking at the spinning industry from the point of view of changes in ownership and consequent recapitalisation we find the following startling results.

A total of 238 mills, covering about 23,832,000 spindles, or 42 per cent. of the total spindleage in the industry changed hands in 1919 and 1920. Their former capital reached a total of £10,815,000. The amount obtained by their sale was £71,875,000 or 665 per cent. of the original capitalisation and the total of new capital involved in their recapitalisation was £33,777,000 or 312 per cent. of the original capitalisation.

Supposing the whole of the industry had changed hands on the basis on which the 42 per cent. changed hands in 1919 and 1920 the resulting new capitalisation would be £78,872,000. The effects of this enormous recapitalisation are far reaching on the wages of the workers employed in the industry. The following table gives the effect of the recapitalisation on the profits drawn by capital on the basis of—

(a) dividends of 10 per cent. on share capital and  $2\frac{1}{2}$  per cent. in reserves ;

(b) dividends of 5 per cent. on share capital and  $1\frac{1}{4}$  per cent. in reserves ;

the yearly average of 1909-13 is given for purposes of comparison.

Drawn by Capital as	10% dividends. $2\frac{1}{2}$ % reserves.	5 % dividends. $1\frac{1}{4}$ % reserves.	Yearly average, 1909-13.
	£	£	£
Dividends .. .. .	7,887,000	3,943,000	1,685,000
Reserves .. .. .	1,972,000	986,000	455,000
Total to Owners .. ..	9,859,000	4,929,000	2,140,000
Interest on loans .. ..	3,000,000	3,000,000	565,000
Total to Capital .. ..	£12,859,000	£7,929,000	£2,705,000

On the basis of this recapitalisation and taking 220,000 to be the number of workers employed in the industry\* the following excess claim is made on the worker.

	Claim of Capital, 1921.	Average Drawn by Capital, 1909-13.	Excess of 1921 Claim.	What excess claim means for worker.	
				per year.	per week.
	£	£	£	£ s. d.	£ s. d.
Basis 10% ..	12,859,000	2,705,000	10,154,000	46 0 0	17 8
Basis 5% ..	7,929,000	2,705,000	5,224,000	23 10 0	9 0

\* An estimate based on the 1911 census figures.

The position may be summed up in the following quotation from the *Manchester Guardian Commercial* of January 27th, 1921. (From an article entitled "Survey of Cloth and Cotton Market: Profits and Appreciated Mill Values," by M.G. Royal Exchange Representative.)

"In taking a mental survey of 1920 in the Cotton Trade certain features stand out with particular distinctness. Chief amongst them may be noted the fact that the year witnessed the completion of a course of recapitalisation which affected more than 200 spinning and weaving concerns and that *this recapitalisation* by which shareholders and speculators benefited to the extent of many millions of pounds, *has made it compulsory for much larger profits than formerly to be made.*"

Thus we have it that on the basis of the 10 per cent. return, capital will deny 17s. 8d. a week to each of the 220,000 workers employed in the industry, 17s. 8d. which would otherwise be available to them, after paying the same amount to capital as was done in pre-war years.

TABLE III.

## INCOME TAX AND EXCESS PROFITS DUTY.

(Inland Revenue Reports.)

The following two tables show (1) The gross amount of income brought under review of the Inland Revenue Department for Income Tax purposes, derived from profits from businesses, professions, employments, etc., assessed under Schedule D., and (2) the net amount received in payment for Excess Profits Duty by the Exchequer.

Year.	(1)	(2)
	£	£
1913-14	670,633,544	—
1914-15	724,488,365	—
1915-16	782,348,140	187,846
	weekly wage earners.*	
1916-17	792,705,973	205,577,990
1917-18	891,029,895	394,204,296
1918-19	1,039,123,827	590,827,226
1919-20	not available.	283,772,206

In 1913-14 the Inland Revenue carried out an investigation into the sources from which the gross amount of income given in (1) was derived. This resulted in the conclusion that £349,064,175, in that year was derived from the income of public companies. Now let us suppose that the income of these public companies had increased in the same proportion to the total in

\* The income of "weekly wage earners" was not given separately until 1916-17.



1918-19; this is a very modest assumption in view of the results shown by other tables in this appendix. But even on this conservative basis we get the following result.

Gross Profits assessed for Income Tax purposes derived from public companies were :—

1913-14	..	..	..	£	349,064,175
1918-19	..	..	..	£	857,329,449

But as any payment in respect of Excess Profits Duty can be deducted as an expense when making up assessments of income for income tax purposes the nett amount of Excess Profits Duty paid into the Exchequer in 1918-19 can be added to this figure resulting in a grand total of £1,118,940,445. This will produce an estimate of a 221 per cent. increase in the profits of companies in 1918-19 as compared with 1913-14. This estimate can only be regarded as a rough indication of the true increased prosperity of firms during the war, but it is sufficiently indicative to provide a basis on which to estimate this increase.

This rough estimate is supported to some extent by the report of the Inland Revenue Authorities for 1920 on the Excess Profits Duty. After giving a table which they have estimated to be the True Excess Profits arising in each year as follows :—

Accounting Periods ending in the period or year.	Approximate True Excess Profits.
5th August, 1914, to 31st March, 1917	£800,000,000*
Year to 31st March, 1918 .. ..	£420,000,000
Year to 31st March, 1919 .. ..	£460,000,000
Year to 31st March, 1920 .. ..	£500,000,000†

They then proceed to remark.

“ In the absence of comprehensive statistics of the Excess Profits Duty, it is not possible to state the corresponding aggregate amounts of the “ standards ” over which the above sums constituted the excess taxable to the duty. A sample investigation, however, indicates that for accounting periods ended in the year 1918-19 the aggregate amount of the standards for concerns assessed to the duty fell between £225,000,000 and £300,000,000.”

Now, on the basis of this estimate of the “ standards ” which may be taken as a conservative figure for the pre-war profit, we can estimate the increase in profit for 1918-19. Thus taking the mean of the two figures for the “ standards ” supplied, £262,600,000, and taking the figure for 1918-19 of the true excess profits given in the table above we get an increase of 175 per cent. This increase though less than the one given above, goes to prove that the profits made by companies and firms were even in 1918-19 very inflated indeed.

\* No subdivision of this amount can be made.

† Subject to revision.

TABLE IV.  
SHARE PRICES.  
(Share Price Lists.)

Industry and Firm.	Par value of share.	Highest price, 1913	Highest price since 1913.	Percentage Increase since 1913.
<i>Chemical and Miscellaneous :</i>				
Assam Oil .. .. .	£1	15/-	66/3 (1919)	342
Bryant & May .. ..	£1	21/3	60/3 (1918)	182
Burmah Oil .. .. .	£1	£3 15/8	£22 8/8 (1920)	468
Shell Transport and Trading ..	£1	£5 16/8	£14 15/4 (1920)	145
<i>Clothing and Distribution :</i>				
Courtaulds .. .. .	£1	27/6	66/- (1920)	140
Jeremiah Rotherham .. ..	£1	37/-	£15 3/8 (1919)	731
<i>Coal :</i>				
Cory (Wm.) & Son .. ..	£1	28/1 1/2	78/9 (1920)	180
Lambert Bros. .. ..	£1	24/9	68/1 (1920)	175
Tredegar Iron and Coal ..	£1	23/9	39/9 (1918)	67
Weardale Steel, Coal and Coke .. .. .	£1	21/-	36/6 (1918)	74
<i>Engineering, Iron and Steel :</i>				
Baldwins .. .. .	£1	21/9	60/- (1918)	182
Barrow Haematite .. ..	£4.10.	28/1 1/2	£5 (1919)	256
Guest, Keen & Nettlefold ..	£1	68/9	£7 (1919)	104
Hadfields .. .. .	£1	64/6	£8 3/8 (1920)	134
Howard & Bullough .. ..	£1	52/6	£5 (1920)	90
Mather & Platt .. .. .	£1	46/-	81/6 (1920)	77
North British Locomotive ..	£1	29/6	56/- (1920)	90
<i>Food, Drink and Tobacco :</i>				
Baker (Albert) .. .. .	£1	13/9	29/7 1/2 (1920)	115
British-American Tobacco ..	£1	£5 3/8	£8 1/2 (1920)	62
British Oil and Cake Mills ..	£1	15/3	57/6 (1920)	277
Carreras .. .. .	£1	27/9	40/- (1920)	44
Liptons .. .. .	£1	20/9	36/9 (1920)	77
Threlfalls Brewery .. ..	£1	28/-	71/3 (1920)	155
<i>Shipping :</i>				
Clan Line .. .. .	£10	£13 1/2	£55 (1918)	300
Furness, Withy .. .. .	£1	34/3	£6 3/4 (1919)	258
P. & O. .. .. .	£100	£350	£700 (1919)	100
Royal Mail Steam Packet ..	£100	£143	£228 (1920)	59
<i>Textiles :</i>				
Ashton Bros. .. .. .	£10	£19	£62 1/2 (1920)	229
Bleachers Association .. ..	£1	20/-	58/- (1920)	190
English Sewing Cotton .. ..	£1	42/6	£6 3/8 (1920)	188
English Velvet and Cord Dyers .. .. .	£1	23/7 1/2	50/- (1920)	112
Fine Cotton Spinners .. ..	£1	36/3	£7 (1920)	286
Linen Thread .. .. .	£1	44/6	81/10 (1920)	84

This table gives an indication of the enormously increased prosperity to which companies attained during and after the war. It must be remembered, of course, that some of these maximum figures may be what are called fancy prices—prices to which the shares are forced up in expectation of good dividend announcements or bonus share issues. But this is no way prevents a speculator profiting by these expectations and thus pocketing a cash profit for himself. On the other hand, it is the case that after payment of bonus shares as pointed out in the chapter on War Profits (Section 1, "Share Prices.") the price of each share is not a true indication of the profits which can be obtained. Thus in the case of William Cory & Son, this company distributed a bonus in April, 1919, of two new shares for every one held. Accordingly the "true" highest price in 1920 would not be £3 13s. 9d., but £5 18s. 1 1/2d., and the increase over the highest price in 1913 would not be 180 per cent. but 320 per cent.

TABLE V.  
DEPOSITS, ETC., OF PUBLIC JOINT STOCK BANKS  
IN ENGLAND AND WALES.  
(*Economist.*)

Year.	No. of Banks.	No. of Branches.	Capital and Reserves.	Deposits.
			£	£
1913	43	5,797	82,068,000	809,352,000
1914	38	5,869	81,904,000	895,561,000
1915	37	6,027	81,731,000	992,555,000
1916	35	5,993	81,089,000	1,154,377,000
1917	34	6,004	84,475,000	1,365,297,000
1918	26	6,235	92,902,000	1,583,412,000
1919	21	6,298	106,273,000	1,874,184,000
1920	20	7,257	128,154,000	1,961,527,000

From this table can be gathered not only the reduction in the number of banks since 1913 by means of a process of amalgamation the reduction being by more than a half—but also the inflation in money indicated by the deposits column which had risen from less than £809,000,000 in 1913 to £1,961,000,000 in 1920, or an increase of 142 per cent.

It is noticeable that in 1920 from the table given below by far the larger proportion of branches, capital and deposits are accounted for by the group of banks known as the Big Five; in fact their deposits account for roughly 83 per cent. of the total of the twenty remaining banks.

Name of Bank.	No. of Branches.	Capital and Reserves.	Deposits.
		£	£
Barclays Bank .. .. .	1,510	23,842,000	327,788,000
Lloyds Bank .. .. .	1,530	24,138,000	345,029,000
London, County Westminster and Parrys Bank .. .. .	828	17,507,000	305,381,000
London Joint City and Midland Bank .. .. .	1,489	21,720,000	371,842,000
National Provincial and Union Bank of England .. .. .	648	18,187,000	278,335,000
TOTAL .. .. .	6,005	£105,894,000	£1,628,375,000

TABLE VI.  
NUMBER AND NOMINAL CAPITAL OF NEW COMPANIES REGISTERED  
IN ENGLAND, SCOTLAND AND WALES.  
(*Board of Trade Returns.*)

Year.	No. of Companies.	Nominal Capital.
		£
1913 .. .. .	7,425	157,186,653
1914 .. .. .	6,214*	113,251,583
1915 .. .. .	4,062	58,354,606
1916 .. .. .	3,393	50,442,371
1917 .. .. .	3,963	67,813,926
1918 .. .. .	3,504	127,879,495
1919 .. .. .	10,725*	412,967,204
1920 .. .. .	11,011	593,189,032

\* 5,386 of these in 1914, and 9,709 in 1919 were private companies.

The foregoing table, compiled from Board of Trade Returns is important because it gives an indication of the expectation of "Capital" in each year. The increase in 1920 from the last full pre-war year is very great amounting to roughly 277 per cent.

TABLE VII.

NUMBER AND PAID UP CAPITAL OF COMPANIES ON THE REGISTER  
IN ENGLAND, SCOTLAND AND WALES.

(Board of Trade Returns.)

Year ending	Number of Companies.	Paid-up Capital.
30th April, 1910	51,787	2,178,619,734
1911	53,707	2,222,293,974
1912	56,352	2,335,203,841
1913	60,754	2,425,740,857
1914	64,692	2,581,947,661
1915	65,986	2,657,466,964
1916	66,094	2,716,989,129
1917	66,131	2,737,733,134
1918	66,456	2,730,594,008
31st Dec., 1918	66,852	2,806,515,116
1919	73,341	3,083,086,049

This table is interesting because it shows that there was a considerably greater increase between the years 1918 and 1919 (the last available year) in the paid-up capital of companies than in any two pre-war years from 1910; the statements of the Board of Trade as to the proportion of public to private companies are also very illuminating. To give them in tabular form we get the following results :—

Year Ending	Private Joint Stock Companies.		Public Joint Stock Companies.	
	Number	Paid-up Capital.	Number.	Paid-up Capital.
30th April, 1914 .. ..	47,574 73%	580,000,000 21%	17,118 27%	2,001,947,661 79%
31st Dec., 1918 .. ..	51,620 77%	580,000,000 * 21%*	15,232 23%	2,226,515,116* 79%*

From this it will be seen that though the institution of the private company was only started in 1908 an increasing number of small companies are taking advantage of this change in the law. It is reasonable to suppose that is being done mainly because private companies are exempted from publishing their balance sheets.

TABLE VIII.

The *Economist* gives an annual review of the applications on the London Stock Exchange for new capital made by public limited companies, and for loans by British, Foreign and Colonial Governments. These figures have been analysed in the table given opposite.

\* Board of Trade estimates.

TABLE VIII.  
NEW CAPITAL APPLICATIONS.  
1913-1920.  
(Compiled from *Economist Tables*.)

Year.	1913.	1914.	1915.	1916.	1917.	1918.	1919.	1920.
U.K. . . . .	85,081,200	28,824,600	—	—	—	—	—	283,919,700
British Possessions . . . .	49,868,500	42,266,200	—	—	—	—	—	19,669,800
Foreign Countries . . . .	58,290,400	48,829,300	—	—	—	—	—	7,888,400
TOTAL . . . . .	143,180,500	119,920,100	15,156,000	9,370,300	6,905,600	29,884,400	198,778,800	271,477,900
<b>Industrial Applications.</b>								
U.K. (Govt. and Municipal) . . . .	920,000	335,595,800	614,250,700	554,566,100	1,287,519,700	1,343,957,100	827,501,900	84,101,700
British Possessions . . . .	26,278,700	98,674,000	17,885,000	6,500,000	13,870,700	4,749,000	18,012,500	11,970,000
Foreign Countries . . . .	26,158,200	18,332,700	38,450,000	15,000,000	—	14,790,000	1,767,200	—
TOTAL . . . . .	53,356,900	392,602,500	670,985,700	576,066,100	1,301,690,400	1,363,497,000	842,280,600	96,071,700
<b>Government Borrowings.</b>								
TOTALS . . . . .	196,537,400	512,522,600	655,241,700	685,436,100	1,308,596,000	1,398,381,400	1,086,059,400	867,549,600

NOTE.—No analysis is available for 1915-1919 inclusive, of the capital applications for industrial purposes.

Thus for home sources the capital applications of industrial companies amounted in 1913 to £35,031,200 while for 1920 they amounted to £233,919,700, or an increase of no less than 568 per cent.

This figure is startling even when it is noted that one of the reasons for this huge increase is the decline in applications of companies dealing in foreign and colonial markets. But the real reason for this increase is, in spite of the fact that very few additions to plant were made during the war and no new large industrial enterprise was set on foot, such as the construction of a railway, that at the end of the war the number of companies which changed hands at grossly inflated values and the number of new companies which were floated at these values was enormous. For instance in the spinning section of the cotton industry companies changed hands in 1919 and 1920 with the following results :

Total Number of Spinning Spindles	56,351,000
Known changes of ownership	23,832,000 or 42%
Sale price compared with old capitalisation	655%
New capitalisation compared with old capitalisation	312%
New capitalisation compared with sale price	47%

All these companies inflated their capital with the expectation of making the same percentage of profit on the inflated value as on the old pre-war value of their businesses.

The analysis of Government borrowings is instructive in so far as it gives an indication of the huge inflation which resulted from these operations. Thus if a comparison is made in the totals between 1913 and 1918 we get an increase of 609 per cent.